FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Latin America

FBIS-LAT-90-056
Thursday
22 March 1990

Daily Report
Latin America

FBIS-LAT-90-056 *22 March 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Bush Warned About 'Adventure' Against Cuba *[Havana Radio]* 1
Division General Rosales on TV Aggression *[Havana TV]* 1
Castro Sends Congratulations to Namibia's Nujoma *[Havana TV]* 2
Government Statement on Namibian Independence *[Havana TV]* 2
CSSR Leader Says Paper 'Twisted' Report *[Havana Radio]* 2
Castro Comments on Relations With Brazil *[Havana TV]* 3
Address to Clergy in Sao Paulo *[Havana TV]* 4

Haiti

FADH Dismisses 7; Security Situation Viewed *[Port-au-Prince Radio]* 7
Armed Men Tear Gas Two Schools in Capital *[Port-au-Prince Radio]* 8
150 Demonstrators Reported Wounded, 300 Arrested *[Port-au-Prince Radio]* 8
Police Conduct Weapons Searches in Capital *[Port-au-Prince Radio]* 9
Vigilantes Carry Out Searches *[Port-au-Prince Radio]* 9
Canadian, Taiwanese Governments Provide Aid *[Port-au-Prince Radio]* 9
Correction to Trouillot Address to New Cabinet 9

St. Vincent and Grenadines

UN Panel To Take First Look at Human Rights *[CANA]* 10

CENTRAL AMERICA

Costa Rica

President-Elect Calderon on Relations With Cuba *[San Jose Radio]* 11
Protocol Signed With USSR on Periodic Talks *[ACAN]* 11

El Salvador

Government Accepts Talks Without Preconditions *[San Salvador Radio]* 11
Rebels Meet With Venezuelan President, Comment *[Madrid EFE]* 11
Rebel Documents Criticize Talks With Government *[EL DIARIO DE HOY 18 Mar]* 12
Union Says Government Lacks Interest in Dialogue *[ACAN]* 12

Guatemala

Opposition Discusses Dialogue To Be Held in Oslo *[ACAN]* 13
Human Rights Activist Said Killed by Troops *[AFP]* 14

Honduras

Callejas, Contras, Obando, Lacayo To Meet *[ACAN]* 14
Government Officials View Contra Demobilization *[ACAN]* 14
Official on ONUCA Role in Disarming Contras *[Tegucigalpa Radio]* 15

Nicaragua

Wheelock Warns of Need To Demobilize Contras *[Managua TV]* 15
Judge Rejects Accusations Against Godoy *[Managua Radio]* 16
Commentary Views Contradictory U.S. Contra Stand *[Managua Radio]* 16
Article Reviews Security, Army Issues, Part IV *[LA PRENSA 16 Mar]* 17
Part V *[LA PRENSA 17 Mar]* 17
UNO Member Said To Evict Farmers in Region I *[Managua Radio]* 18

Panama

Linares on Possible 'Rupture' With Mexico, Peru *[CRITICA LIBRE 21 Mar]* 19
Union Deplores Paying To Release Funds in U.S. *[LA ESTRELLA DE PANAMA 19 Mar]* 19
Ford Comments on Public Spending, Personnel Cuts *[Panama City TV]* 20
Arias Calderon Comments on Illegal Aliens *[LA ESTRELLA DE PANAMA 21 Mar]* 28
PTJ Chief Reports Drug Traffickers' Threats *[LA PRENSA 20 Mar]* 29

SOUTH AMERICA

Argentina

Menem Interviewed on Goals of Reorganization
[Sao Paulo O ESTADO DE SAO PAULO 15 Mar] 30
Army Chief General Caceres Dies 20 March *[NOTICIAS ARGENTINAS]* 32
Felix Bonnet Named New Army Chief of Staff *[TELAM]* 32
Tucuman Policemen Rebel, Remain Self-Confined 32
Demand Fellow Police Reinstatement *[NOTICIAS ARGENTINAS]* 32
President Says 'No Intervention' *[TELAM]* 32
Incident Ends Peacefully *[TELAM]* 33
Economy Minister Sworn in as Central Bank Head *[TELAM]* 33
Cavallo Sees Accord With USSR as Advantageous *[NOTICIAS ARGENTINAS]* 33

Bolivia

Congress Condemns U.S. 'Invasion' of Panama *[Madrid EFE]* 33
Aeronautics Minister on Military's Antidrug Role *[La Paz Radio]* 34
Information Ministry Under Secretary Resigns *[La Paz Radio]* 34
Foreign Ministry Announces New Consul to Chile *[La Paz Radio]* 34

Brazil

Collor Names Top Advisers, 'New Power Figures' *[O ESTADO DE SAO PAULO 16 Mar]* 34
Provisional Measure 151, Dissolving Enterprises *[O GLOBO 17 Mar]* 35
Provisional Measure 152, On Welfare Enterprises *[O GLOBO 17 Mar]* 38
Possible Effects of 'New Brazil' Plan Outlined *[Madrid EFE]* 39
Alagoas, Bahia Governors Lend Support *[Brasilia Radio]* 39
All National Health Ministry Officials Dismissed *[Brasilia Radio]* 40
Post of Government Speaker in Senate Recreated *[Brasilia Radio]* 40
Nicaraguan President Ortega Discusses Future *[FOLHA DE SAO PAULO 19 Mar]* 40
PT Leader Hosts Castro During Visit *[FOHLA DE SAO PAULO 19 Mar]* 42

Chile

Terrorist Attack Seriously Injures General Leigh 42
FPMR Claims Responsibility *[Santiago Radio]* 42
Further Details on Attack *[Santiago Radio]* 43
Government Condemns Attack *[Santiago Radio]* 43
Air Force Issues Communique *[Santiago TV]* 44
Protesting Political Prisoners Leave Jail *[Santiago Radio]* 44
Carabineros Detain Three Lautaro Group Members *[Santiago TV]* 44

Colombia

Barco, Venezuela's Perez Reopen Bridge at Border *[Bogota TV]* 44
Clashes With Guerrillas Reported in Cauca Region *[Bogota Radio]* 45
* IMF Commends Nation's Economic Policies *[SEMANA 13 Feb]* 45

Ecuador

Minister on Normalizing Relations With Panama *[Quito Radio]* 46

Peru

Shining Path Kills Three Marines, Injures Two *[Madrid EFE]* 47
Politicians Rule Out Dialogue With Terrorists *[Madrid EFE]* 47
* Legislators Debate Marxism, Perestroyka *[EL NACIONAL 4, 5 Feb]* 48
* Orlandini Criticizes Elections, Fredemo *[EL NACIONAL 9 Feb]* 54

Uruguay

Government Communique on Nicaraguan Election *[EL DIA 10 Mar]* 58
Air Force Chief of Staff Denies Discord in Ranks *[EL DIA 10 Mar]* 58

Cuba

Bush Warned About 'Adventure' Against Cuba

FL2103190890 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Mar 90

[Station commentary]

[Text] The United States continues its harassment of Cuba and obstinately continues its chain of aggression and blockade against our country. Over the last few weeks dozens of Yankee warships, and more recently NATO ships, have arrived at the Guantanamo Naval Base heating up the Caribbean waters in a so-called policy of intimidation and attack. We are also familiar with the Bush administration's pressures on governments and politicians in the heart of the Human Rights Commission in Geneva to attain an unjust condemnation of Cuba on alleged rights violations. In addition, pen-pushers from Miami's anti-Cuban radio stations are announcing, at the top of their voices, the upcoming initiation of the very jaded worm television station, which is totally illegal and in blatant violation of our sovereignty. Today, in a meeting he held with leaders of the U.S. Congress and Senate, the Yankee president called for the quick approval of funds, for Panama and Nicaragua, along the lines of $800 million because, according to him, the benefits of the aid granted to the governments of Guillermo Endara and Violeta Chamarro will bring greater pressure against Cuba. If we maintain our hopes in Panama and Nicaragua, President Bush said, the pressure will simply increase so that the wonderful island of Cuba will change toward democracy.

The U.S. Administration evidently does not wish to take the lessons of history into consideration. It cannot even realistically observe with objectivity the political significance of Fidel's recent visit to Brazil, which became the center of international political expectations and of unequivocal demonstrations of solidarity. The triumphalist airs of the empire have increased because of events in East Europe and this leads it to erroneous predictions and fantastic illusions. Mr. Bush should learn the meaning of the Cuban decision of socialism or death. He should think about President Fidel Castro's warning that a U.S. military attack against Cuba would result in no less than the deaths of 250,000 U.S. soldiers, who return to their countries in coffins.

Mr. President, do not convert an adventure against Cuba into a holocaust for your people.

Division General Rosales on TV Aggression

FL2203022090 Havana Television Service in Spanish 0100 GMT 22 Mar 90

[Interview with Division General Ulises Rosales del Toro, chief of the General Staff of the Revolutionary Armed Forces, FAR, by unidentified reporter; date and place not given—recorded]

[Text] [Reporter] General, what role does the FAR play in the conflict regarding the anti-Cuban television?

[Rosales] To understand the FAR's role within this conflict we should say that broadcast aggressions against our country began in 1960. It gained strength prior to the mercenaries' landing at the Bay of Pigs. What is the difference between then and now? That the U.S. Administration carried out this kind of aggression in a covert manner through the CIA. Now, the U.S. Congress is being used to support the administration's policy. They discuss how to support the Nicaraguan counterrevolution, the National Union for the Total Independence of Angola in its counterrevolutionary war in Angola; or analyze the problems of how to oust a government through [words indistinct] of the U.S. Administration which is using its [words indistinct] and within them are included their Armed Forces to attack. An example is that we understand this aggression is sending its transmissions from a U.S. military base [words indistinct] The U.S. Army is directly participating in this aggression.

From the beginning of this aggression, our Armed Forces have directly participated in the defense of the sovereignty and integrity of our country inasmuch as this is its primary mission. Therefore, our resources and our systems are ready at this time to defend our revolution from this type of aggression.

[Reporter] Does Cuba have enough technical resources to [words indistinct] the anti-Cuban television?

[Rosales] It is not a secret to the Americans that we have the necessary resources to defend ourselves from an electronic war. We have, and the Americans know it, [words indistinct] units. [Passage indistinct] in the U.S. territory. [Words indistinct] electronic has a double purpose [words indistinct]. The number of resources we have is not the most important thing, but rather the possibilities of the equipment.

[Reporter] From the technical standpoint?

[Rosales] From the technical standpoint. Based on the weakness of the U.S. operations system in times of peace with this type of incursion.

[Reporter] There are figures in the United States and even institutions close to Congress that are concerned a war of the waves between Cuba and the United States could hamper the safety of air traffic by distorting radar signals and interfering with local Florida stations' transmissions. Is there a basis for these concerns?

[Rosales] Look, we believe the Americans know perfectly well what our potential is. They know these risks, these possibilities exist. The safe operation of systems is essential to the world in which American society lives. Above all, the operation of the communications system. Radio technology should not only guarantee information but also very sensitive problems linked to the country's safety. [Words indistinct] they know we can go in this

direction. First and foremost, this will depend on them. They are the ones who are transgressing our country. They are the ones who have violated the sovereignty of our country if they implement this tele-aggression on our country. Therefore, they are the ones who will determine how far this escalation will go. The consequences that could result from that escalation, that aggression, of that incursion, will be determined by where they want to go.

I believe we are at a starting point. We are like the athlete who has been training for a long period of time and is ready to break records. This is how the Armed Forces are. We have (?great) morale and a combative disposition in our Armed Forces. We have the necessary equipment. We have the guidance and the decision to defend our revolution and our country.

[Reporter] General, thank you very much for the time you have given us.

Castro Sends Congratulations to Namibia's Nujoma

FL2103125290 Havana Tele Rebelde Network in Spanish 1212 GMT 21 Mar 90

[Text] Commander in Chief Fidel Castro has sent a message to Sam Nujoma, president of the SWAPO [South-West African People's Organization] and the Republic of Namibia, on the occasion of that African nation's independence. The text of the message is as follows:

With profound joy, the Cuban people join the celebration of one of the most important events in our time—the advent of Namibia into the community of nations as an independent nation, liberated after almost a century of being under the colonial yoke.

Throughout these years, thousands of children of the Namibian people fell in heavy combat against colonial domination and racism during their heroic resistance against the genocidal attacks of the first colonists and during the formation and development process of the national liberation movement, which led the fight against the oppressors until they attained this hour of liberty, which all of progressive humanity today greets with joy. Thus ends a conclusive period in Namibia's history in which its combatants won their right to be free, and another no less important and difficult period begins to make a reality the objectives of complete and total independence, unity, national reconstruction, and progress for its people.

We are certain that Namibia will advance firmly and decisively to occupy the seat of honor that corresponds to the common struggle of our peoples against apartheid and racism, and Namibia can count on Cuba's support based on the fraternal feelings that inspired our contribution to your independence, in the new and important tasks the young nation will confront.

On such a memorable occasion, I take advantage of the opportunity, Comrade Nujoma, to renew to you, the government, and the brother people of Namibia, our most sincere wishes for well-being and success in the just undertaking of constructing a democratic and prosperous society.

With the testimony of my highest esteem;

[Signed] Fidel Castro Ruz

Government Statement on Namibian Independence

FL2103185090 Havana Tele Rebelde Network in Spanish 1800 GMT 21 Mar 90

[Text] On the occasion of the proclamation of Namibian independence, the Government of the Republic of Cuba has issued the following statement:

The Cuban Government and people greet with deep revolutionary joy the Namibian people's attainment of independence after a lengthy and heroic struggle in which thousands of their children sacrificed their lives for the cause of freedom. The Cuban Government expresses its happiness at the entry of the new African state into the community of free nations, grants it full recognition, and communicates its willingness to immediately establish diplomatic, consular, economic, and cultural relations.

It also expresses its fraternal friendship and firm support in the new and difficult tasks the young nation will confront. Namibian independence is a milestone in the history of the struggle against imperialism, colonial domination, and racism. The Cuban people, who have felt the cause of the Namibian people as theirs, join with all of progressive humanity, especially the African peoples, in wishing them success in national reconstruction.

CSSR Leader Says Paper 'Twisted' Report

FL2103215390 Havana Radio Reloj Network in Spanish 2050 GMT 21 Mar 90

[Text] Valtr Komarek, first deputy minister of the CSSR Government, said today that PRENSA LATINA and other sources twisted a report indicating that he had extended an invitation to former Chilean President Augusto Pinochet to visit the CSSR. The Chilean newspaper EL MERCURIO last week published a report saying that Komarek had invited the former dictator to visit his country. This was included in a PRENSA LATINA report.

In statements made the following day to CTK news agency, the CSSR first deputy minister asserted that the matter regarding Pinochet's invitation was a misrepresentation made by PRENSA LATINA, however, it did not mention Chile's EL MERCURIO.

Komarek's new remarks published today did not specify the other sources which, in his opinion, contributed to giving a different interpretation of the matter regarding the invitation.

Castro Comments on Relations With Brazil

FL2103131590 Havana Television Service in Spanish 0100 GMT 17 Mar 90

[Excerpts] [Announcer] News from Brasilia continues to report the activities of the Cuban delegation that attended the inauguration of Brazilian President Fernando Collor de Mello. Commander in Chief Fidel Castro held meetings with various political and religious personalities in this country.

Early this morning, the Cuban president met at the ambassador's residence with Pernambuco Governor Miguel Arraes; (Amil Adat), president of the Socialist Party; and Joao Amazonas, president of the Communist Party of Brazil.

Responding to the extraordinary interest created by Fidel's visit to this South American nation, numerous television stations, radio networks, and important newspapers requested interviews on the most varied and diverse subjects.

(Iorel Damata Machado) from the Brazilian Television System [SBT], one of the most important networks in the country, talked with Fidel for over half an hour.

Begin recording] [Castro] Undoubtedly, 31 years have gone by, almost 31 years have gone by since my first visit to Brasilia. The construction of Brasilia was about to be completed at the time. Brasilia of today does not in the least resemble what I saw when I came here the first time. This is the first thing I have seen of Brazil. I am going to visit two more cities before returning to Cuba. Of course, I have seen great changes here. This will most likely be the case in the rest of the places I will visit.

I also have reports that great development has taken place in Brazil in various fields, in the field of industry, agriculture. I have some information. It is something that I have followed very closely. There have been notable changes in these years. The weight of Brazil in the world economy has increased in spite of the difficulties. I understand that Brazil is ranked 10th in production and that Brazil's gross national product exceeds $300 billion a year. This is in dollars; I am not going to measure it in another currency because it is more difficult.

[(Damata Machado)] It is a more universal currency.

[Castro] Let's use the dollar as a measure even though the dollar has also changed a lot. A dollar of 30 years ago is equivalent to over three now. So these figures are relative. You measure goods in the dollars of 30 years ago and if you measure it now, you cannot say that that is the difference. The dollar itself would have to be measured. That is, you need to measure the measure to have an idea.

[(Damata Machado)] [Question in Portuguese and simultaneous Spanish translation about Collor de Mello indistinct; crawl on screen says audio difficulties with satellite reception because of atmospheric conditions in Rio de Janeiro]

[Castro] I had the opportunity to talk with him for fractions of seconds when he was greeting the visiting delegations. It was a warm and friendly greeting. We exchanged brief words. I received a very good impression of that meeting. I later received an official greeting, which was much briefer. I made a little joke. I told him: If this is of any comfort, I want to tell you that after you, I have been the one who has worked the most in Brasilia.

[(Damata Machado)] [Question indistinct]?

[Castro] I see that he is a young man with a lot of energy. He has the health and youth needed to face the great challenge he has before him.

[Words indistinct] to list the inventory of the things that are left would require scrutinizing the future from now for 100 years more. In general we have achieved great advances in almost all fields. New industries that did not exist in our country, such as the mechanical industry, have emerged. It has emerged but Brazil's is much more developed. We can benefit from Brazil's experience, the development of its mechanical industry. Brazil has had development in the field of energy and agriculture. In sum, we have had development in other fields. I believe our country can benefit from Brazil's technical cooperation. I believe we can also provide some modest technical cooperation with Brazil in some fields where we have had development.

All this is being studied and I believe it has a good outlook in the years to come. I could not mention anything basic or strategic. There are many things in which we could benefit from the experience of Brazilian development. We also have development that can benefit the relation.

I believe that we have things in common. For example, we are the two large sugar producers in the world. We are also the largest sugar exporters. There is no doubt that coordination of Brazil and Cuba regarding marketing of sugar is important for Brazil and Cuba. So, relations between Brazil and Cuba can benefit even in those areas in which we have similar levels of development. [end recording]

[Announcer] A moment of great human sensibility, which shows the appreciation the Brazilian people have for Fidel, was expressed shortly after the interview with the SBT journalists. Members of a family that lives very close by offered the Cuban president several gifts and expressed great affection and respect. Little Natacha, some three years old, insistently invited Fidel to visit her home. [passage omitted includes recording showing Castro receiving gift from children, chatting with unidentified people and a boy who had written to Castro before; with indistinct portions]

Shortly before continuing his activities and responding to a question posed by Cuban television, Fidel referred to the ceremony held recently in Santiago and the call for the fourth party congress.

[Begin recording] [Reporter] What are your impressions about yesterday's event and the call for the fourth party congress?

[Castro] I will able to listen to a portion tonight. I already learned about the call. I thought it was a truly important event. They saw it over Cubavision here at the embassy. I thought it was very good. I was not able to watch much because I had a number of appointments and visits at that time. [passage omitted] [end recording]

Address to Clergy in Sao Paulo

FL2203022490 Havana Tele Rebelde Network in Spanish 1800 GMT 19 Mar 90

["Excerpts" of speech by President Fidel Castro to clergy in Sao Paulo; date not given—recorded]

[Text] I have also referred to the 500th anniversary of the so-called discovery of America, everything that occurred throughout the centuries, and therefore that scientist's efforts had such a human content, but now we need a lot of [word indistinct] so they will understand and defend us. Because we are the new Indians of this hemisphere. I was saying that in my opinion, when we analyze the social and economic situation of our peoples, I said that the level of exploitation is greater, and in my opinion, in this hemisphere our peoples have become net exporters of capital to the rich countries, to those who have exploited us for centuries, those who made themselves the owners with our....[rephrases] those that became rich with our sweat and blood, and today continue to exploit us.

I said that today, perhaps every year that passes, from our sweat, our efforts, our sacrifices, they extract from this America of ours more gold than they extracted in one century before. I would almost go as far as to say they are extracting more gold than all the gold they took in four centuries, or in three centuries. I did a simple mathematical calculation, that if one ton of gold now is worth about $10 million on the world market—it could be more or less—and when we think that the net capital that leaves Latin America as a result of the debt, only as a result of the debt, or interest on the debt, or remittance of capital, without counting the money that leaves when people change their country's currency for dollars and take it out with them, is equivalent to—the money that is taken out, that they take from us, from a hemisphere that must develop, that must resolve those problems [Leonardo] Boff was talking about, for those houses, those teachers, those doctors, those schools—what they take from us is equivalent to 3,000 tons of gold each year. While children die of illnesses, while 700,000 children in Latin America die who could be saved; 700,000 children.

That means that in the time we are meeting here, how many children who could have been saved are dying? I am not talking about those who are incurable but about children who could be saved. If the bombs at Hiroshima and Nagasaki killed about 100,000 people each, it is as if seven bombs like those were being dropped on the children of Latin America each year. And I am talking about children less than one year old. I think we could even include in this figure the children....[rephrases] In this figure I have to calculate the births; I think the children that die out of every thousand live births, that is, the average in Latin America is between 60 and 70 out of every thousand live births. We would have to add the children that die between the ages of one and five. The figure in Latin America is 85 children out of every 100 live births who die between the ages of zero and five. [figures as heard] The ones who could be saved from these, with a rate similar to that of Cuba, the Cuban mortality rate, would be about 700,000.

Our rate is 11.1, and the rate, adding those that die before age five, totals about 13.5 out of 1,000 [live births]. In Latin America it is 80 or 85. Those are the levels of infant mortality. One must ask: Why? Why? I was saying, in response to I do not know how many questions I have been asked these days, all kinds of questions....[changes thought] Perhaps you have heard some of the answers when they asked me about Cuba, based on a tremendous ignorance of Cuba, because even the mass media; they manipulate even what we think; they export to us even what we know, and they inculcate it in us, and they fill our heads with lies and disinformation because of the monopoly of the mass media, so that one is amazed at the ignorance that exists among our peoples about each other, and the enormous ignorance about Cuba. But I was saying, in a word, what socialism has meant in our country: simply having solved in 30 years a problem that Latin America has not solved in 200 years.

And I said: Why don't they ask us about the causes? This kind of reflection leads inevitably to the conclusion that changes must be made; these problems must be solved. If we start to talk now about education, if we talk about health, we find similar phenomena. The vast majority of children in Latin America do not complete even the third grade. The vast majority do not even complete secondary school, or preuniversity studies. There are still tens of millions of children without classrooms and teachers in Latin America.

We talked about the children who die; what can we say about those who do not die, who suffer from malnutrition? The percentage of the population in Latin America that suffers from malnutrition is very high; in some countries it is higher and in others lower, and in some it reaches 50 percent, not among children but among the population in general. The doctors are familiar with its effects on the development of underfed children, children with malnutrition. They are familiar with the effects on the development of their intelligence, their mental potential, how this affects them throughout their lives, how this affects these people throughout their lives, how this reduces their prospects, how it reduces their capabilities in all senses, how much suffering and how many misfortunes accompany these calamities.

I think that if our people do not want, and very rightly, these problems to occur, changes must naturally be made. When we talked about the housing problem, we talked about the situation in most of the Latin American capital cities; more than 50 percent of the population lives in slums. Caracas—the capital of the richest Latin American country, with the highest income in Latin America, which produces oil, which exports large amounts of oil—has 60 percent of the population living in slum districts. This is the reality and it can be seen.

How many years have passed since we became independent? Why have other countries developed and ours have not been able to? Why don't those rich, developed countries have this kind of calamities, and the peoples in our America suffer from them? Anyone can understand that it is impossible for us to handle these realities as long as we live under exploitation and looting, carrying an enormous debt burden of hundreds of billions, and having to pay tens of billions every year. It is one of the many ways through which they take our resources. They will get richer and richer, they will get extremely rich, and we will get poorer and poorer, and these calamities will become more and more numerous.

This is why the need for changes is so obvious. Not just changes are needed, however; integration is needed. The unity of our peoples, our strengths, is needed. We will not have any future, none of our peoples, if we do not unite. If we do not unite, we will face an even worse future than that of the indigenous population the famous discoverers found here.

It is based on these realities that the unity of our peoples becomes essential, and changes become essential. In our country we have solved these problems, fortunately, and although there are still many things we have to do, new possibilities always arise, new hopes, new prospects, and we are working intensely in that direction. I think that you, and this group I see here, are fully aware of these things. To make these changes, people like you are needed. Changes in one way or another—I am not talking about violence, I am talking about political changes—can only be made by people like you. [applause]

Concerning the second question, which is also a difficult question: Why are there no Christians, or believers, in the Communist Party of Cuba? These two things are related. What we would have wanted most is the continuation of this process in Cuba. We need this process in Cuba. This process would be very good for our revolution in Cuba. I can say to you very frankly, I think that if we had people like you there, they would have been in our party for some time now. [laughter, applause]

Unfortunately, it is not that there are no Christians, and good Christians. There, the problems have been of another kind. We have not had a church of the poor. [applause] In the majority church, which was the Catholic Church, we have not had that, and we have felt the lack of it so much! We could even have multiplied the influence of our revolution if it had been like that. Many religious people work with the revolution. We have the example of the nuns, who with extraordinary selflessness work in hospitals and different projects of a high human value. More than once I have mentioned them as exemplary communists. I have said this to our people, our nation, even to our party members. These nuns are exemplary communists.

We have asked our people to be like them, although I should say that we have tens of thousands of Cubans who do that work, that same work, in our institutions, as a result of this generosity, this nobility, this dedication a revolutionary should have; that people with feelings of solidarity, human feelings, should have. I would say that we have tens of thousands of monks and nuns in our party. [laughter] The illogical situation is that we have monks and nuns in our party, we have monks and nuns, but we do not have believers in the party. It is a paradoxical situation, really.

It is a situation we would like to get out of. We would very much have liked, it would have helped us a lot, to get out of this if we had had a church like the one you have. [applause] I am referring to the Catholic Church. We also have the Christian churches, with which we have never had any kind of problems, but we did have problems at the beginning of the revolution with the hierarchy of the Catholic Church. Although I have said this before, I am going to repeat it: the thing is that the church in our country, the Catholic Church, was the church of the rich, the big landowners, the landlords. I myself studied in the Catholic Church. Frei Betto has explained this in depth.

There have been many changes since then. This word 'ecumenical' was never even mentioned. For a Catholic to speak to a Protestant was a great sin. [laughter] He was condemned to go to a place almost as hot as here in this room. [laughter, applause] If then they were like dog and cat, there has been an enormous change. It makes me very happy to see this sense of respect, of understanding, of brotherhood between all Christians.

The dominant church in our country was the Catholic Church of the colonial period. We were the last country to obtain our independence from the Spanish crown, almost a century after the nations of Latin America. We also then had interference by the Yankees. The clergy was Spanish, and pro-Spanish. It was against the country's independence during decades of heroic struggle. It greatly identified with that power, which really distanced it from the patriotic feelings of those who fought in three wars for our independence.

When the Republic came, it was independence in form only—a seal, a flag—but the economic and social situation continued to be the same. There was neocolonialism imposed by the United States. The clergy, and the

leaders of the clergy who were also in large part foreigners, continued to be Spanish. And all during the Republic there was an identification of the clergy with that situation.

There was no participation in the struggle for the liberation of the country. There was not a single church in our country's entire countryside, not a single Catholic Church. There were some local churches of other religious denominations but there was not a single Catholic Church.

Religious education was closely linked to the rich sectors. I already gave you my own example. They were in conflict with the revolution and attempted to use the church against the revolution. This caused friction, trouble, conflicts, antagonisms, and distance. This is what caused the establishment of the rule at the time our party was founded. It is not a principle and does not have to be a principle. It is not irrevocable but it was established during that long period, during those many years.

There was a time in which relations began to improve. They improved for various reasons. We were always very careful, very prudent. If some priests came in a mercenary invasion, the sanctions were not severe and we released them in the shortest possible time. When there was a confirmed case of a priest participating in a counterrevolutionary activity we would also do everything possible to solve the situation, and if there was no other choice than to impose sanctions on him, he would be in prison for a minimum period of time. We were always particularly careful in seeing that no excesses were committed. We were careful and prudent in the way the problem was dealt with.

We gave the Catholic Church and all churches in our country absolute guarantees to practice religion. This is rare because if you analyze the history of revolutions in which these types of conflicts occurred .... [changes thought] you will see that they occurred in almost all of them. There were all types of situations, severe sanctions, executions, and at times, even murders. There has hardly been any profound process in which these kinds of conflicts have not appeared—they appeared in all—or in which priests have not been executed or those types of measures taken.

If one analyzes the history of our relations with the church, in spite of the problems, there was not a single case in which a priest was mistreated or a priest was executed. In the cases in which there were prison sentences, they were in prison a minimum of time. I believe this was very important because we always talked about the sense of social justice of Christianity. I spoke repeatedly of the teachings of Christ. I brought passages from the Bible where it could be considered [words indistinct] the social and revolutionary measures we were taking.

A nuncio who was in our country also helped to overcome the difficulties. He was Monsignor (Sachi). He was a very gentle and intelligent man. He made many efforts to help overcome these difficulties until they were overcome. However, the legacy of, say, reservations remained. Norms had been established. I talked about this with Frei Betto. It is in the book he wrote "Fidel and Religion." I should tell you we were hoping that the Brazilian Catholic Church would influence the hierarchy of our church. We were hoping that this powerful church movement in favor of the poor would be extended to Cuba and help us create the conditions to overcome the barriers that existed, so Christians could join in.

I tell you that we practically do not have problems with other denominations. There are some exceptions, such as Jehova's Witnesses, because of their rules and the things they impose on their members. They create other types of conflicts regarding whether the person can or cannot receive medical treatment, whether he can join the military service or do certain jobs. In general, the problems have not existed with other denominations. We especially have had them with the Catholic Church. I was telling you about our hopes. Brazilians—Betto, Boff—have visited our country. They have attempted to influence them but in reality .... [changes thought] I am not referring to the congregation, to the Christian and Catholic people: I am referring to the hierarchy. There has been practically no progress. Two or three years ago they met to analyze.... [changes thought] If you look at the guest list you will see ecclesiastical authorities from the United States and other countries but absolutely no one from the liberation theology. Frei Betto, who is well known, Boff, and others who are appreciated and loved by our people, were not invited to that meeting.

It was enough for a priest or bishop to sympathize with the church of the poor for him not to receive an invitation to that kind of a meeting. Years went by, they carried out a very slight self-criticism, and nothing more. This is our reality. Another sad reality is that our church's hierarchy felt it was more a church of those who live in Miami, of those who abandoned the fatherland, of those who sided with the United States, than a church of Cuban Catholics. Of course, many of those landowners, rich people, landlords, many of those people went to the United States. They preferred to go to the United States. Our church's hierarchy considered itself a church of those people. This is the reality. Since I have to speak I speak.

It is very dependent on other Western churches, on the help of the U.S. church and other churches in Europe. It is influenced by those churches. The hierarchy of the U.S. Catholic Church has much influence in the Cuban Church. U.S. policy has no little influence in the church's hierarchy. There is no other choice than to say that it never identified itself with the revolution and it has remained somewhat hidden waiting to act against the revolution if the revolution encounters difficulties. This element turned into the great obstacle that prevented us from advancing more on that path.

This is expressed very clearly in Frei Betto's book. I want you to know that through that book it is the first time a socialist leader presents his thoughts and makes an analysis of the way religious problems should be dealt with. They are the most extensive views and ideas ever expressed. Everything said in that book represented a great opening on the part of the revolution. That book has been translated into numerous languages for Chinese, Iranians, Russians, for Moslem countries, for countries with other religions. That book has had an influence, it has been read with enormous interest. It was the first time a socialist leader approached that problem.

There has not been the response we would have liked to see, to this opening in which we expressed our liking of the church of the poor. The response has not made us confident enough to have Christians join our party, without having a militant one day experience a conflict of conscience for being a member of the party and, at the same time, being obliged to follow the orders and guidance of the church's hierarchy. I say this problem does not lie on the Christians or grassroots believers. Unfortunately, we have had these problems with the high-level hierarchy of the Catholic Church. [applause]

Speaking very frankly and clearly I explain to you that this has been the obstacle, the obstacle that has not yet been overcome for Christians to be able to join the ranks of our party. I hope that all this will happen. I do not see it close, I do not see it close.

As a result of the problems that have appeared in East Europe as a result of the difficulties being experienced by the Soviet Union, and the belief that the revolution may have very serious problems, the belief of some who underestimate our people and think they will not be able to resist difficult tests, this situation is conducive to opportunism and the erratic belief that the revolution will not last long and that we are going to back to the past. This situation conditions certain behaviors. We are preparing and dedicating ourselves during these times. We are making an enormous and endless effort to increase our revolution's resistance capabilityy and to resist all the tests that these days are not precisely only economic in nature, but threats in the military field of an arrogant, angry, and triumphalistic empire that believes it owns the world and believes the Cuban revolution needs to be crushed and that Cuba must be defeated. Difficult years are approaching. They are years of trial.

This is a reality, but it is also in circumstances such as these that opportunism is made evident. Feelings surface of those who were never with the revolution, those who long for the past and dream for the impossible idea that our fatherland can return to those disgraceful times of oppression, looting, and exploitation that fortunately disappeared many years ago. We cannot go back now when you dream more than ever of solving those problems, now when you dream more than ever of a better world.

Haiti

FADH Dismisses 7; Security Situation Viewed

FL2103180390 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 21 Mar 90

[Excerpts] According to a press release issued 20 March, the secretariat of the Haitian Armed Forces' [FADH] high command has dismissed seven from the Army, including both officers and noncommissioned officers close to General Prosper Avril's regime. [passage omitted].

There is a reaction from Frantz Patrick Beauchard, head of the 17 September People's Organization and one of the former Presidential Guard soldiers who effected the 17 September 1988 ousting of Namphy. He himself was dismissed from the Army and persecuted, but he feels that firing these officers is not the solution. He feels they should be arrested and jailed so they can be tried, once those who have been the victims of macoute acts have brought charges against them. Beauchard is also going to say something about the lack of security that has spread over Haiti because of the death squads.

[Begin Beauchard recording] I think that this is not what General Abraham should have done, because these men are criminals. I think the first thing he should have done is arrest them. We do know the cabinet has not yet formed; they are working on this at present. However, I am not at all happy with this maneuver of rushing to dismiss these men from the Army. Complaints are going to be filed against these murderers. This is a way to allow them to organize themselves so they can flee. That is why I called—to alert the people in this connection. Nobody is watching for them at the airport and they can leave anytime they want.

If murderers in Haiti....[changes thought] if they take the side of bloodthirsty government people....[changes thought] so that when they do something, there is not anyone....[changes thought] if people who are supposedly heading the country and especially the Army....[changes thought] if they fire them and think that the Haitian people are going to be satisfied with their work.... [sentence as heard]

We are very very concerned about this. Also, we are planning to file complaints against these people. That is why we think we need to meet with Gen. Abraham to explain to him our security problem and the problem of security for the people, too.

[Reporter] What would you suggest be done first to end the failure in security that has established itself in Haiti?

[Beauchard] What needs to be done to reestablish security is clear. However, the Army must not be hypocritical about things. What is this business of the people, when they have a problem, calling the police or the Antigang Service only to be told they should call the Haitian people instead, because it is the Haitian people that are

out in the streets! What does that mean? That they are making fun? And if things continue that way, I think we will have to mobilize the population, sensitize it to this situation, so things can be done differently—because there must be security and there must be elections in Haiti. They are doing this on purpose. They are allowing things to happen so they can say: You see? To make the whole world think we cannot do this or that. Do you know what I mean? To make them think the people are not capable of truly having a democracy. That is why they let things go, drop them like that. Thank you. [end recording]

Armed Men Tear Gas Two Schools in Capital

FL2103192790 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 21 Mar 90

[Excerpts] There was panic in Port-au-Prince yesterday morning after a group of armed men threw a tear gas grenade into a school in La Saline [a densely populated, poor area of the capital]. A group of armed civilians wearing hoods over their heads circulated sowing disorder at various schools in the capital on 20 March. These civilians, who eyewitnesses say were operating without anxiety, first went to the coeducational Venezuela School, a primary school in La Saline run by the Salesian Order. They fired into the air before entering the school and tear gassed the school's approximately 700 students. Many students fainted. According to the school's director, Morel Louis, this is an act by an enemy of the people, who has lost the battle and does not want to accept defeat. [passage omitted]

This same group of armed civilians, who were armed with a number of weapons people do not customarily see, also went to Notre Dame de Lourdes School, located in that same area. There too, they filled the school with tear gas, sparing not even the teachers. This commotion upset the functioning of three-fourths of the schools in the capital where, at around 1100, parents were rushing about all over town to pick their children up at school.

Yesterday's panic in Port-au-Prince led the Ministry of National Education, Youth, and Sports to issue a joint communique today. This communique is signed by the ministers of information, interior, and education.

The communique says: Panic reigned on the morning of 20 March in the capital, where a number of different rumors were circulating among the population. These rumors provoked a panic that appears to have been planned, says the communique, and forced parents to rush to pick up their children at school. To avoid a repetition of such a situation, the Ministry of National Education, Youth and Sports, in concerted action with the Ministries of Interior and Information and Coordination, and the Haitian Armed Forces High Command, have taken measures to ensure the security and proper functioning of the schools.

Therefore, the Ministries of Education, Information and Coordination, and Interior call on parents, school directors, all teachers, and the population in general to establish calm and vigilance to allow schools to function normally.

This joint communique is signed by the heads of these three ministries.

The Port-au-Prince Teachers Association [AEP] has also reacted. The AEP was very concerned upon learning of the maneuvers of intimidation being effected by a number of ill-intentioned individuals to bring about the closing of the schools in Port-au-Prince. A number of threats are being made against school directors and parents, and a number of anonymous phone calls are being made. At a moment when most students are preparing to take second-quarter exams, these things, which (?are senseless), are being carried our by the forces of darkness reigning throughout Haiti to trouble the minds of students, of the young who are already paying too high a price.

The AEP denounces this situation and asks the sectors that are committing these vile acts to respect the right of children to receive instruction and to live in peace. The AEP asks the authorities to take all necessary measures to return serenity to students, parents, and teachers.

Last, the AEP asks all education sectors to shoulder their responsibilities, not to fall into the trap of the nation's enemies who want at any cost to take the schools hostage and block the democratic process. AEP says Port-au-Prince school teachers who are members of AEP are, for their part, willing to continue working with the students, and they ask the government to guarantee the security of all students.

150 Demonstrators Reported Wounded, 300 Arrested

FL2103234690 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 21 Mar 90

[Excerpts] [Announcer] Soldiers from Limbe wounded a number of peasants during a demonstration held in Le Borgne on 19 March expressing support for the provisional government and asking for change in government administrations and justice for fellow peasants. [passage omitted]

[Reporter] [passage omitted] There was much bloodshed and a number of peasants were (?robbed) when the military fired on a demonstration in Le Borgne in northern Haiti, 56 kilometers from Cap-Haitien. [passage omitted]. The demonstration, composed of peasants from several communal sections of Le Borgne and Le Borgne townspeople, was dispersed by armed Le Borgne police who fired with heavy-caliber weapons on the demonstrators. [passage omitted]

[Announcer] In connection with this demonstration in Le Borgne, in which the Haitian Army wounded 150

demonstrators, the People's National Assembly [APN] has issued a press release to provide further details and ask the Red Cross for help:

The Haitian Army has wounded more than 150 demonstrators in Le Borgne during a demonstration scheduled for 19 March at 1000 in Le Borgne by the members of the Le Borgne Peasants (?assembly), RPB [expansion not provided]—which is composed of several APN local assemblies—to ask the government of Mrs. Ertha Trouillot to clean up the government administrations, provide justice to all the small peasant farmers, and legalize the vigilance brigades. Le Borgne military commander Lt. Jadis Saint-Pierre showed up during the demonstration with a team of soldiers to arrest RPB coordinator Jules Faustin. When the peasants protested this arbitrary act, Lt. Saint-Pierre had his soldiers fire on the demonstrators. More than 150 peasants were wounded and the soldiers arrested more than 300 peasants. There was generalized panic in the town of Le Borgne all day on 19 March.

APN asks the Red Cross to intervene in the area to aid the victims. APN asks the human rights organizations to open an investigation into this massacre of peasants by Lt. Saint-Pierre and that Lt. Saint-Pierre be arrested.

Police Conduct Weapons Searches in Capital

FL2103181990 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 21 Mar 90

[Excerpt] Last night people could see in the streets of Port-au-Prince, particularly along Delmas Road and along the Carrefour Road, many policemen conducting searches because of the numerous criminal acts being committed in the streets of Port-au-Prince, where the forces of darkness are going around both night and day breaking into and robbing houses and shooting people. The police were stopping cars to bring under control people who might be carrying murderous weapons.

A military source told us a number of weapons were collected, particularly along the Carrefour road, from people who were circulating with firearms in their possession.

1,000 policemen were mobilized in the streets of Port-au-Prince yesterday to watch over different neighborhoods, and check vehicles and control the streets to prevent criminal acts from being committed last night. At the same time, vigilance brigades were on watch in different places in Port-au-Prince such as the Martissant and Carrefour areas, where people spent the night guarding their neighborhoods against the evildoers, who are always ready to pounce upon them.

That, then, is how the streets of Port-au-Prince were last night. [passage omitted]

Vigilantes Carry Out Searches

FL2103235890 Port-au-Prince Radio Nationale in Creole 1400 GMT 21 Mar 90

[Excerpts] Last night there were policemen posted all over the capital to counter the forces of darkness. We have learned that the police last night caught a group of three armed bandits in the Martissant area. The bandits were driving a pickup and the policemen from the 4th Company, or Cafeteria, caught them with the aid of the population of Martissant. However, two of the bandits managed to escape. The third was taken to the cafeteria for the necessary followup.

These bandits had in their possession big heavy-caliber weapons. The police are still seeking those who escaped, and will continue searching with a view to guaranteeing the security of the lives and property of citizens. Also, there was a lot of vigilance brigade activity. Vigilance brigades were set up in different parts of the capital to counter the armed bandits operating both day and night. [passage omitted]

Last night, the Haitian people responded to the call [from 13 political parties] to set up vigilance brigades. There were brigades on duty all over the capital. We heard lots of noisemaking in different parts of the capital last night between 2100 last night and 0600 this morning, as people beat on electric poles or the iron entrance gates to residences. This showed the brigades are determined to stop vile acts of banditry.

At approximately 0545 this morning, we encountered in the streets several brigades that had set up barricades so they could stop passing pedestrians or vehicles. They would stop people and ask them questions and search for any weapons on them. We must say that the work of the brigades was done without violence last night. [passage omitted]

The brigade that stopped us to search our car told us they were going to continue to do this work to provide proper security for the population.

Canadian, Taiwanese Governments Provide Aid

FL2103151390 Port-au-Prince Radio Nationale in Creole 1200 GMT 19 Mar 90

[Excerpt] Following the Canadian Government's giving the new Haitian provisional government U.S. $125,000, the government of the Republic of China has given the provisional government a U.S. $1 million gift as humanitarian aid. We learned this from a Republic of China Embassy press release 18 March. [passage omitted]

Correction to Trouillot Address to New Cabinet

FL2103191390

The following correction pertains to the item subheaded "Addresses New Cabinet," published in the 20 March Latin America DAILY REPORT, page 16:

Column one, paragraph three, sentence three, make read: ...would not refuse whoever, wishing to acknowledge a debt of honor among fraternal friends, might offer to cover Haiti's nudity and relieve its extreme poverty. We will be.... (rewording)

St. Vincent and Grenadines

UN Panel To Take First Look at Human Rights

FL2103232590 Bridgetown CANA in English 2009 GMT 21 Mar 90

[Text] United Nations, March 21, CANA—A United Nations human rights panel is meeting in New York for the next two weeks and it plans to take a look at the situation in St. Vincent and the Grenadines.

The Human Rights Committee, the UN organ responsible for monitoring human rights conditions around the world and for ensuring compliance with the International Covenant on Civil and Political Rights, will consider a human rights report submitted by St.Vincent. It will be the first time that St. Vincent comes under the panel's microscope, the report being the first the island-nation has submitted to the group.

In addition to St. Vincent's, the panel will examine reports submitted by Argentina, Costa Rica, Panama, the Dominican Republic and Nicaragua. Almost 50 countries including Barbados, Jamaica, Suriname and Trinidad and Tobago have agreed to be bound by the provisions of the International Human Rights Covenant which seeks to safeguard and guarantee the rights and liberties of people everywhere.

Costa Rica

President-Elect Calderon on Relations With Cuba

PA2103140990 San Jose Radio Reloj in Spanish 1200 GMT 20 Mar 90

[Text] Madrid—Costa Rican President-elect Rafael Calderon has asserted that he will only reestablish relations with Cuba when the country stops interfering in the internal affairs of other nations. He stressed that one of the objectives of his administration will be to restore social equilibrium.

I am convinced that Cuba is intervening in El Salvador's internal affairs, Calderon said in an interview published in the latest issue of the Spanish weekly TRIBUNA.

Protocol Signed With USSR on Periodic Talks

PA2203044390 Panama City ACAN in Spanish 1710 GMT 20 Mar 90

[Text] San Jose, 20 Mar (ACAN-EFE)—Official sources reported today that the Soviet Union and Costa Rica have signed a protocol to formalize "joint periodic talks" to exchange their points of view on the Central American situation.

The document was signed on 16 March by Acting Costa Rican Foreign Minister Carlos Rivera and USSR Ambassador in San Jose Vadim Rozanov.

The agreement includes the possibility of both governments holding talks on topics of bilateral interest and "matters of mutual interest in the rest of the world."

Conversations are to be held both in San Jose and Moscow, and the delegations will be led by representatives of each country's Foreign Ministry. If warranted, members of other government departments can accompany the delegations.

It was not reported if specific dates have been set for the meetings.

A Costa Rican Foreign Ministry official noted that the Soviet and Costa Rican Governments have maintained diplomatic relations for more than 40 years and have always held informal talks on various topics.

El Salvador

Government Accepts Talks Without Preconditions

PA2103234690 San Salvador Radio Cadena YSU in Spanish 2210 GMT 21 Mar 90

[Government communique issued in San Salvador on 21 March—read by announcer]

[Text] Government of the Republic communique:

The Government of the Republic informs all Salvadoran citizens that its representatives met during the first days of this week with Dr. Alvaro de Soto, the UN Secretary General's secretary, to discuss the final document that includes the agenda for the renewal of dialogue between the Salvadoran Government and FMLN [Farabundo Marti National Liberation Front] representatives.

As a result of the advances achieved up to now with help from the UN Secretary General and his representatives and the FMLN's recently announced efforts to completely suspend some of its actions that affect the civilian population, the government is willing to renew the process of dialogue immediately, in accordance with the points discussed with Dr. De Soto concerning the way dialogue is going to be held, without any preconditions.

The government of the Republic expects that, with this decision, the FMLN will respond to the cries of the Salvadoran people, who want dialogue to be reinitiated to attain the peace that all Salvadorans want so much.

According to its 1 June policy of attaining peace through sensible means, the national government also reaffirms to all Salvadoran citizens that once the agenda is approved, dialogue should ensue on a commonly agreed upon date and place and in the presence and patronage of the UN Secretary General.

Rebels Meet With Venezuelan President, Comment

PA2103191090 Madrid EFE in Spanish 2248 GMT 20 Mar 90

[Text] Caracas, 20 Mar (EFE)—The Farabundo Marti National Liberation Front (FMLN) announced today in Caracas that Venezuelan President Carlos Andres Perez supports the peace talks in El Salvador. FMLN Commanders Francisco Jovel, Jorge Shafik Handal, Salvador Samayoa, and Carlos Calles made this announcement during a news conference they hosted after meeting with the Venezuelan president.

The FMLN representatives met with Perez as a way to seek cooperation so a true process of democratization begins in El Salvador, something Perez seemed to favor, Handal said.

The FMLN leaders said their group demands the democratization of their country, which entails a revision of the Army to make the institution obedient to civilian rule. Jovel stressed that they are prepared to recognize a single army. The second condition is that the Cristiani government review the electoral laws so all the country's political and social forces participate in elections.

The guerrilla leaders are also demanding a review of the legal structure. They said that at present the government in El Salvador is tying the hands of justice, adding: Justice must be independent.

The FMLN commanders noted that the mediation effort headed by UN Secretary General Javier Perez de Cuellar is about to yield fruit, although the rejection of the peace talks by the top military command represents the chief stumbling block to peace. Although they stressed that the

time for full democratization in Central America has arrived, the FMLN leaders said that the peace talks must take place in parallel with the continued struggle in El Salvador. If we order a unilateral cease-fire, Handal stressed, the political agreements for democratization will not come about.

Handal added that the FMLN has given signs of flexibility in this struggle, hoping for a gesture from the government, which has not happened because the state of siege remains in effect, repression against the people continues, and the cost of living goes up every day.

The commanders insisted that the peace process must be the result of a Salvadoran national agreement with the participation of all political parties and sectors of the country.

They also stated that they will meet with leaders of the ruling Democratic Action Party and the Social Christian Party (COPEI), as well as with former Christian Democratic President Rafael Caldera, during their stay in Caracas. Handal, Jovel, Samayoa, and Calles will fly to Mexico tomorrow to met with the Peruvian Alvaro de Soto, representative of UN Secretary General Javier Perez de Cuellar.

Rebel Documents Criticize Talks With Government

PA2103132290 San Salvador EL DIARIO DE HOY in Spanish 18 Mar 90 pp 3, 18

[Text] According to documents seized by the Army in an operation carried out in Usulutan, terrorist groups of the FMLN [Farabundo Marti National Liberation Front] view the "dialogue" and the negotiation with the government as a way to gain opportunities and time to prepare a second offensive against the country.

Copies of documents to which EL DIARIO DE HOY gained access show that the 11 November offensive was "the first to the hilt" action and that they are now getting ready for "a second to the hilt" operation, after assimilating the experiences of their first foiled attempt.

One document, called "Balance of the Strategic Offensive, Outlook for Victory," states that "the war continues and the FMLN is getting ready to launch the victorious offensive to definitively defeat the oligarchy."

These documents also mention the international support that the rebels received through the groups that handle "the diplomatic offensive from Washington," referring to Jennifer Jean Cassolo, among others. Casolo, passing as a religious activist, was able to break certain security barriers and entered military garrisons to talk with chiefs and then report her discoveries to terrorist leaders.

The Army seized the documents near Las Milpas of San Francisco Javier in eastern El Salvador. These documents have not been revealed so as not to hinder the government's political efforts to achieve peace.

In another document entitled "20 Years of the Armed Struggle and 10 Years of Revolutionary War in El Salvador," the terrorists recounted all the political incidents in which the communists have been involved, concluding with the 11 November offensive, which to them was the so-called "to the hilt" offensive, an action they now describe as the "first push." They are now talking of a "second push," which, according to analysts, would be another attack similar to, if not the same as, that of 11 November.

In a fourth document, eight pages in length and entitled "Assessment of the Situation," the terrorists analyze all the factors that contributed to the failure of their offensive, the problems they faced when they tried to form militia groups in the northern outskirts of El Salvador, the problem of having drug addicts in their ranks, and the harsh blows that the Armed Forces dealt them during the operations.

According to this document, they used civilians as shields in an effort to have victims among the population to then report this abroad. According to them, they achieved much of this goal.

Referring to the current situation, the document states: "We are in a stage of definitions within an offensive. The first to the hilt operation increased our power and drew us closer to victory. We must use our best potential at this time in the offensive when political confrontation is of utmost importance. Those of us on the fronts must promote the organization of the people and the preparation of our forces to guarantee that the negotiations will favor our people."

"We are involved in the negotiations to obtain all the objectives we seek. Our political and military strength is based on the people's support and organization, our weapons and ability to plan, and our diplomatic ability, as well as the international solidarity which will guarantee victory through negotiations."

"He who negotiates with strength and power behind him guarantees his interests. He who negotiates with weakness guarantees the interests of the enemy."

To conclude, the documents mention efforts to increase sabotage actions to wear out the enemy and accumulate strength for the second to the hilt action.

The government negotiators must take a look at these documents so they understand how FMLN-FDR [Revolutionary Democratic Front] terrorists operate.

Union Says Government Lacks Interest in Dialogue

PA2203040290 Panama City ACAN in Spanish 1900 GMT 21 Mar 90

[Text] San Salvador, 21 Mar (ACAN-EFE)—The main National Union of Salvadoran Workers [UNTS] has asserted that the government has not shown any "real" interest in establishing a dialogue with the guerrillas to end the armed conflict in the country.

Rosario Acosta, one of the top UNTS leaders, stated: "The government is not committed to furthering a solution to the Salvadoran conflict."

Acosta recalled that the state of siege, implemented on 12 November 1990, is still in effect and that it suspends the people's rights to hold demonstrations and meetings. In her opinion, this does not contribute toward forming an adequate climate for such a dialogue to take place.

On 16 March, the Farabundo Marti National Liberation Front (FMLN) suspended its acts of sabotage against transportation, the telephone system, and commerce and its attacks against public officials. These measures were taken to make it easier for a dialogue with President Alfredo Cristiani's administration to be initiated.

Over the past few days, however, the FMLN has increased its sabotage actions against the electrical system and military positions. Both objectives had not been included in the measures announced by the FMLN last week.

Several labor and peasant organizations have charged many times in the past that the government uses the state of siege to stop the mobilization of workers, to carry out massive firings, and to arrest union members after accusing them of being guerrillas.

Acosta noted: "We believe the government should suspend the state of siege to contribute toward the country's pacification."

However, she expressed the hope that the Salvadoran conflict—which has already cost more than 70,000 victims over the past decade—will be solved in a peaceful manner.

UNTS stated that if dialogue between the two sectors is reached, priority should be assigned to the country's democratization.

Guatemala

Opposition Discusses Dialogue To Be Held in Oslo

PA2203024390 Panama City ACAN in Spanish 1656 GMT 21 Mar 90

[Text] Guatemala City, 21 Mar (ACAN-EFE)—Guatemalan opposition parties have asked the guerrilla groups to abide by the law, six days before rebel leaders are scheduled to participate in a dialogue with delegates of the National Reconciliation Commission (CRN).

Leaders of the parties represented in parliament today told the media that the conditions for talks with the guerrilla groups were established last year.

According to the political leaders, Guatemalan President Vinicio Cerezo suggested in October 1989 that it would be convenient for the country and the democratic process to sponsor a dialogue with the rebels.

The talks between delegates of the CRN and the Guatemalan National Revolutionary Unity (URNG), scheduled for 27-29 March in Oslo, "are a most important political event, because the armed groups' leaders will have the opportunity to state their doubts," Carlos Gonzalez, representative of the opposition National Renewal Party (PNR), said today.

Gonzalez added that the dialogue was planned in such a way that it offers the advantage of not weakening the state's structures.

The CRN delegation will be presided over by Jorge Serrano Elias, representative of the opposition political parties in the commission, which was created according to the "Esquipulas II" Central American peace agreements.

Gonzalez said that Serrano Elias, who is supported by President Cerezo, may become a key element in the talks and in the establishment of adequate mechanisms to achieve peace in Guatemala.

"The best dialogue is held under the CRN and the political parties' system," said Edmond Mulet, of the Union of the National Center (UCN), the leading opposition force.

He explained that this guarantees that the guerrilla groups will not be treated belligerently, because their contact will be with the institutional system rather than the government or the Army.

"The guerrilla groups might be able to rejoin society, participate in politics as a party, appoint cadres to run for public office, have representation in the democratic system, and live in Guatemala if the dialogue is fruitful," Mulet emphasized.

The URNG, the headquarters of which are located in Mexico City, has consisted of the Poor People's Guerrilla Army (EGP), the Rebel Armed Forces (FAR), and the Revolutionary Organization of the People in Arms (ORPA) since 1982.

Otto Fernandez, a member of the right-wing National Liberation Movement (MLN), did not specify if his party supports the talks, but said that the meeting was expected, taking into consideration that there is a lot of pressure in East Europe for changes without detente.

Victor Hugo Godoy, a representative of the Revolutionary Party (PR), said that they support the talks and added that Guatemala is the Central American country that "has taken the longest" to comply with the "Esquipulas II" agreements.

The document, signed in 1987 by the five Central American presidents, states that dialogue and national reconciliation are the mechanisms to achieve a firm and everlasting peace in the area.

"The pressure exerted throughout the world is proving that this is a North-South conflict rather than an East-West conflict, as some want us to believe," Godoy said.

The political leaders believe that most important, for the time being, is for the guerrilla groups to receive formal, serious, and realistic guarantees, adding that even their social demands must be subject to discussion and debate.

Human Rights Activist Said Killed by Troops

PA2203040690 Paris AFP in Spanish 1638 GMT 21 Mar 90

[Text] San Jose, 21 Mar (AFP)—Guatemalan Army troops killed a human rights activist and seriously wounded another in Parraxtut village, in the northwestern department of Quiche, the Junam Runujel Ethnic Communities Council (CERJ) has reported.

The report, released here by the CERIGUA news agency, which is connected with the Guatemalan guerrillas, states that Domingo Castro and Juan de Leon, military commissioners of Parraxtut village, killed Maria Mejia and seriously wounded Pablo Castro.

The charge was corroborated by Juan Mejia, a CERJ member who claimed that he has received death threats since he quit the paramilitary civil defense patrols.

The case has been taken before the Guatemalan Human Rights Commission and the U.S. organization Americas Watch, the report added.

Honduras

Callejas, Contras, Obando, Lacayo To Meet

PA2103181290 Panama City ACAN in Spanish 1626 GMT 21 Mar 90

[Text] Tegucigalpa, 21 Mar (ACAN-EFE)—Contra leaders and a high-ranking Nicaraguan delegation will meet here on 23 March with the direct mediation of Honduran President Rafael Leonardo Callejas to define the steps for the imminent demobilization of the anti-Sandinists.

Aristides Sanchez, contra political leader, said today that Cardinal Miguel Obando y Bravo, of the Nicaragua Reconciliation Commission, and Jaime Lacayo, special envoy for President-elect Violeta Chamorro, will also be present during the negotiations.

The round of talks will have the direct mediation of the Honduran Government. It is anticipated that Callejas will meet with the delegates at the presidential house before the formal meeting, Sanchez disclosed in a public statement in this capital.

Callejas has appointed Government Minister Francisco Cardona as the representative of his government in the negotiations. Cardona told reporters today that "I have received specific instructions that the demobilization should be carried out as soon as possible."

Sanchez noted that "we are respectful of Honduran sovereignty. The day the government of Callejas orders us to leave, we will form a line to be repatriated, although we do not have all the guarantees we want in Nicaragua."

The anti-Sandinist leader emphasized that "we will never clash with the Honduran Government or the Armed Forces, because we are thankful for the asylum they have given us." He added that the anti-Sandinists have "the consent of the Honduran Government to negotiate adequate conditions for our demobilization and return."

In that respect, Sanchez described the meeting to be held by Cardinal Obando y Bravo and Lacayo, who are persons with decision-making powers," as a "key" event.

The contras' resistance to demobilize has become one of the principal points of discord within the framework of the Nicaraguan transition of power on 25 April, when Violeta Chamorro assumes the Presidency.

Sanchez reiterated that "we do not want to be an obstacle to Dona Violeta and are ready to give her our weapons, but only after she assumes power in Nicaragua on 25 April."

In contrast, it was learned that both Violeta Chamorro and Callejas want the demobilization to take place before the Nicaraguan inauguration. This is a topic that will be discussed during the announced negotiations.

The contras were installed in Honduran territory in late 1981. Currently there are 8,000 armed men, 30,000 civilians accompanying them, and 20,000 Nicaraguan refugees who are waiting for an agreement that will decide their immediate future.

Government Officials View Contra Demobilization

PA2103230890 Panama City ACAN in Spanish 2140 GMT 19 Mar 90

[Text] Tegucigalpa, 19 Mar (ACAN-EFE)—Honduran Foreign Minister Mario Carias said today that the Honduran Army will avoid "unnecessary clashes" with the contras. Instead, he added, the government will try to persuade the contras, with the help of the United Nations, to demobilize from Honduran territory.

Carias told the press that Honduras wishes the contras to be demobilized before 25 April, when Violeta Chamorro is due to take office as president of Nicaragua, but no time frame has yet been established.

The foreign minister noted that the contras will return to Nicaragua when "relocation centers" are established in Nicaragua for the guerrillas and their relatives. Carias added that the Honduran Army will avoid "unnecessary" armed clashes with the anti-Sandinists.

However, Carias said that if it becomes necessary to use force, the Honduran Army will carry out its duties and obey any government order to disarm the 12,000 men who form the commandos of the Nicaraguan Resistance.

General Arnulfo Cantarero, chief of the Honduran Army, believes that the contras should surrender their weapons because "they represent a problem for Honduras and Central America."

Gen. Cantarero added that "now that the problem in Nicaragua has been settled, they (the contras) should lay down their weapons and return peacefully to their homes."

The Army chief stated that "if we have to disarm the contras (by force) we will do it, but I hope that we do not reach that point."

Gen. Cantarero underlined, without referring to any group in particular, that the correct thing would be for the group to surrender its weapons and fulfill the Central American peace agreements signed by the five presidents of the region in August 1989 in Tela (Honduras).

The contras occupy about 500 sq km in eastern Honduras where, in addition to harming the civilian population, they have destroyed the environment of the area.

To recover part of the damage done by the contras in Honduras, during the week of 11 March, the Honduran Congress approved requesting $10 million in compensation for the families affected from the United States—the organizer of the anti-Sandinist rebels.

Official on ONUCA Role in Disarming Contras

PA2203003390 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 20 Mar 90

[Text] [Announcer] The economic cabinet met yesterday to analyze the national budget for 1990. A version of it has already been drafted. It was also reported that the decision to cut 10 percent from the previous budget is being maintained. The cuts in public spending and other measures will reduce the public administration's general spending. Treasury Minister Benjamin Villanueva has said that the 1990 draft budget will be submitted to the National Congress before the end of March and not in [3-second break in reception].... We repeat, the Honduran Government has approved the UN request that a battalion, possibly a Venezuelan battalion, receive the Nicaraguan contras' weapons when they demobilize. Lucia Alvarado has the details.

[Alvarado] The United Nations has proposed to the Security Council that ONUCA [UN Observers Group in Central America] be made responsible for the demobilization of the Nicaraguan contras, although this international organization has the specific duty to serve as observer. What is the Honduran Government stance? We posed that question to Deputy Foreign Minister Jaime Guell Bogran.

[Begin recording] [Guell] A plan was submitted to the UN Security Council on the possibility of an armed battalion, possibly a Venezuelan battalion, receiving the Nicaraguan contras' weapons, wherever they are. In principle, the Honduran Government approves it.

[Alvarado] Does this not have to be discussed by the Central American presidents before being submitted to the UN Security Council?

[Guell] I understand several consultations have been held with the different governments. The presidents will meet soon to once again...

[Alvarado, interrupting] Is there any special reason why the CIAV [International Support and Verification Commission] should not handle the demobilization of the contras?

[Guell] It does play a role in all of this, but we have to expand the ONUCA and CIAV mandate, because we are not dealing with a simple negotiation, but with receiving the contras' weapons. That is the reason why the United Nations is proposing that an armed battalion receive those weapons.

[Alvarado] Does this not distort ONUCA's role from that of a simple observer to that of a group that disarms one of the most belligerent sides?

[Guell] ONUCA will do the task requested by the Central American presidents. If they ask that its mandate be expanded, it would do that, of course, but that does not entail a distortion.

[Alvarado] Can this topic be discussed at the next presidents' summit?

[Guell] Certainly.

[Alvarado] Concerning the announcement by Dr. Carlos Roberto Reina [Honduran representative at the International Court of Justice] that he is not returning to The Hague, how would this harm Honduras?

[Guell] I just saw today's press reports. I see that that Reina is planning to resign, but I cannot tell you anything else.

[Alvarado] Does the Foreign Ministry not know anything officially on this?

[Guell] I do not. [end recording]

Nicaragua

Wheelock Warns of Need To Demobilize Contras

PA2103173390 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 21 Mar 90

[Italicized passages are recorded]

[Text] [Announcer] Before hundreds of university students gathered at the historical Auditorium 12 of the UNAN [National Autonomous University of Nicaragua], Commander of the Revolution Jaime Wheelock has warned the new government about the dangers it could face if the counterrevolution is not demobilized:

[Wheelock] *The counterrevolution is waiting for 25 April to gather all its material and resources to attack the nation and its people and occupy cities. There would be a*

transfer of government here, but not a peaceful one. We would be forced to take up arms again to lead the country to crush the armed counterrevolution. The new UNO [National Opposition Union] chief executive would have to govern amid a struggle, a war.

[Announcer] Wheelock said that there is agreement between the current government and the new chief executive regarding peace and the contras' demobilization:

[Wheelock] *We, the FSLN [Sandinist National Liberation Front], agree with the government of Violeta Barrios in demanding peace in our country. This is our first agreement. Violeta Barrios has demanded peace and struggled to achieve it, and the FSLN is doing the same. Second, we have demanded the immediate demobilization of the counterrevolution, and Violeta Barrios has demanded the same. We agree on those two issues.*

Therefore, it is possible for mature forces or segments of UNO and mature and constructive segments of the FSLN to agree on committing themselves to building Nicaragua within the framework of the 1987 constitution, to agree to put forth a better effort. We should contribute to the democratization and improvement of democratic institutions, to the achievement of peace and a lasting spirit of agreement.

[Announcer] This current phenomenon that Nicaragua is experiencing, Wheelock said, is unknown, because the Sandinists do not know much about opposition and the new government does not know much about transition.

[Wheelock] *The constitutional armies, with their command, their hierarchy, and their procedures, cannot be subject to the difficulties and hardships posed by the change of government. They are permanent forces. Who is it that has the weapons? It is the armed people. Who intends to receive all of those rifles? This is something that makes a lot of sense. Whoever has not read the political constitution does not know that these things are not transferred.*

[Announcer] The profound transformations carried out in all the fields by the revolution are irreversible and are the unequivocal sign that Nicaragua has left the past, Wheelock said.

Regarding university autonomy, he said it is linked to the democratic perfection of society. This is a reflexive, intellectual, and nonpartisan position. Commander Wheelock concluded his discourse by holding the opening lesson for the university students:

[Wheelock] *In all of your acts, at every moment of your life, never forget and never remove yourselves from the people. That is all.*

Judge Rejects Accusations Against Godoy

PA2103180690 Managua Radio Sandino in Spanish 1200 GMT 21 Mar 90

[Text] Doctor Ramon Rojas, judge of the Managua Fourth Criminal District Court, has rejected the accusations of fraud and abuse of power made against Vice President-elect Virgilio Godoy.

The lawsuit was filed by members of the directorate of the Center of Studies and Social Research [CEIS] of the PLI [Independent Liberal Party]. This institution was reportedly adversely affected by Godoy's actions, but the police and the Penal Attorney General's Office have no knowledge of his alleged illegal activities.

Because of this, Judge Rojas rejected the accusations, but the plaintiffs still have the right to appeal the judge's decision within a 48-hour period that ends at midnight on 22 March.

Juan Manuel Gutierrez, the main plaintiff in the case and the president of the CEIS, said that he will continue to press the case against the vice president-elect and will convey his appeal before the Supreme Court of Justice today.

Lawyers Victor Manuel Ordonez and Francisco Rosales presented themselves on 20 March before the Fourth Criminal District Court to defend Virgilio Godoy. However, they will have to wait for the ruling of the Supreme Court of Justice.

Commentary Views Contradictory U.S. Contra Stand

PA2103214890 Managua Radio Sandino in Spanish 1200 GMT 20 Mar 90

[Station commentary]

[Text] The U.S. Government continues making contradictory statements about the demobilization of the contras. This is obviously a maneuver to gain time so on 25 April the rebels will still be armed and the tense internal situation of the country will have reached a climax. On their part, the officials of the government-elect do not give any evidence they will contribute to disarmament, even a week after high-ranking Honduran Government officials came to sound them out on their willingness and the efforts they would make to repatriate the contras.

Since last week, Cardinal Miguel Obando y Bravo has been waiting for President Violeta Barrios de Chamorro or her representative to travel to Tegucigalpa and discuss immediate demobilization with the contra chiefs. However, he has not yet received an answer to his request.

In a conscientious and responsible manner, Honduran President Rafael Leonardo Callejas will tour the region next weekend to obtain the necessary consensus for the seventh meeting of Central American presidents, which will mainly deal with the disarmament of the contras.

The Bush administration should not take away from its Nicaraguan allies who support Violeta Barrios de

Chamorro the legitimacy they deserve by imposing the presence of the rebels on them after 25 April. As a parallel army, they would constitute a threat to the incoming government.

In the same manner that the U.S. Government has the just, legal, and moral responsibility to demobilize those it created and currently supports, the president-elect is no less obligated to contribute to the stability and security of her people by cooperating with the pacification of the country.

Washington should demobilize the contras, and the incoming government should achieve the immediate disarmament of those forces so it can peacefully take power and improve the democratic process that the Sandinists will turn over despite the Yankee aggression.

The CIAV [International Commission of Support and Verification] continues to strive for the demobilization of the contras, as ordered by the presidents of the area who demanded that it be formed as a mechanism to promote peace. Both Washington and the future administration have the exclusive responsibility of achieving the disarmament of the contras for the benefit of all Nicaraguans. The dangers of maintaining the contras in arms have already been explained in full detail. Peace is within reach. It now depends on the United States and President Violeta Barrios de Chamorro.

Article Reviews Security, Army Issues, Part IV

PA2103220990 Managua LA PRENSA in Spanish 16 Mar 90 p 2

[Part four of five-part article by Julio Sergio Ramirez: "Farewell to Arms: the Loyalty of the Armed Forces"]

[Text] Once the new government has attained control of the security apparatus, how can the loyalty of the Armed Forces be maintained during its entire term, because of the Sandinist background of a large number of its members?

The authority to appoint and dismiss high-ranking Army and police members is necessary to efficiently exert presidential authority over the Armed Forces, but it is not sufficient to guarantee the loyalty of those institutions to the new government. This is because the seed of sedition could be sowed at garrisons to the extent that the vital interests of members of the Army and police are seriously threatened. These vital interests could be at stake during the current political transition and therefore should be taken into consideration.

The interests at stake can be identified starting with the basic needs: To maintain a reliable source of income for their own support and that of their families, their dignity, and their self-esteem; to avoid reprisals; and to protect the survival of the institution and to respect its symbols.

The challenge for those in charge of the transition is to reach agreements that will satisfy—on an acceptable level—the interests and needs of members of the Armed Forces and police, without undermining the authority of the future government, and within the severe budget limitations the new government will undoubtedly have to face. It is no easy task, but neither was the electoral triumph, which UNO [National Opposition Union] finally obtained; both tasks are absolutely essential to advancing the democratization of the country.

Although the current Constitution empowers the president to appoint the defense and interior ministers, and thus gives him the power to select the Army and Police High Command, under the current circumstances, it would be advisable to reach an agreement with the FSLN [Sandinist National Liberation Front] on how this power will be exerted—which should not imply that specific appointments have to be consulted on or need the FSLN leaders' approval, or that the new opposition should be given a role to which it is not entitled within the existing legal order.

The justification for reaching some agreement, within the current laws, stems from the high level of political conflict that exists between the FSLN and UNO. If this conflict is not handled peacefully, through specific agreements among the parties, the future of democracy in Nicaragua would be in danger, as evidenced by the many similar and recent cases of democratic disasters in other countries.

In addition, the agreement could reinforce the Armed Forces' loyalty to the new government, thus helping the professionalization and depoliticization of the security apparatus.

The next article will briefly discuss the demobilization of the Nicaraguan Resistance before the transfer of power to the new government, and will provide a synthesis of the conclusions presented in this series of articles.

Part V

PA2103230190 Managua LA PRENSA in Spanish 17 Mar 90 p 2

[Part five of five-part article by Julio Sergio Ramirez: "Farewell to Arms: Disarmament of the Political Protagonists"]

[Text] The Nicaraguan Resistance's [RN] demobilization is currently one of the highest priority issues, because of its possible impact on a peaceful and orderly transition of power in Nicaragua.

There is greater agreement between the new and current governments on this issue: Neither of them is willing to grant the RN the role of guarantor or promoter of democracy in Nicaragua. The RN undoubtedly seeks to assume this role by insisting on staying armed and on guard until it believes that the new government has achieved real control over the security apparatus.

Real and symbolic demobilization must be differentiated: Real demobilization began months ago and will last a few more months due to the operational difficulties of transporting and relocating thousands of combatants and their families in Nicaragua or abroad. The symbolic demobilization will occur at the very moment the RN

formally and publicly agrees to end its struggle and surrender its weapons. This has not yet taken place and its implementation before the 25 April transfer of power will require all the ability and political strength of UNO [National Opposition Union]. It is easy to understand that for the FSLN a peaceful transfer of power to UNO on the scheduled date is different from a transfer of power under RN surveillance and threats. In a peaceful transition, the FSLN would reap great political benefits, because it would be the first government in the country's history to hand over power to the opposition through free elections; in the other case, the FSLN would enjoy fewer political benefits, because it would be forced to give up power through external pressure by the RN military presence.

It is also easy to realize why UNO would prefer a transfer of power based on votes rather than on the pressure of boots, because the legitimacy of its mandate would be based on votes rather than on the threat of military intervention by third parties.

It seems that other governments involved (Honduras and the United States), according to their public statements, are interested in an immediate demobilization of the RN. The problem of how to convince the RN to agree to symbolic demobilization of the contras before 25 April is still pending. It is difficult to make any suggestions, because this is a delicate issue that the leaders of the new government must face.

In the same way that we have noted the importance of meeting the interests and needs of members of the Army and police to guarantee their sustained loyalty to the new government, we must take into account the interests and needs of RN combatants and their families. Some believe that they are "corpses" already; that they do not matter. Treating them like that would be unfortunate and could set a harmful precedent for the country's future democratization.

It would be more desirable for the country's future democratization if there was a transfer of power without any kind of armed threat, because of the lasting effect that this development would have on the establishment of loyalties and political attitudes toward society as a whole. Besides being desirable, this would be viable if the premises of the FSLN's democratization, which I have put forth, turn out to be valid.

The creation of a democratic political culture cannot be achieved only through a relatively free and just electoral process; it requires greater and sustained efforts over a prolonged period of time. One of the main conditions needed to consolidate democracy in Nicaragua is the development of democratic convictions among the political leaders of the main social protagonists, particularly the political parties, public opinion leaders, and armed groups.

The unavoidable starting point for the democratization of Sandism is disarmament, in other words, the ties between party and Army must be severed. With that in mind, negotiations between the FSLN and UNO must clearly call for this break. For example, this would call for the removal of the word "Sandinist" from the official name of the Army and the police, and from all other state institutions bearing that name, or else change the party's name. This could be considered symbolic and unimportant. However, in these cases, symbols are important because of the attitudes and behavior that they reinforce.

It is not only necessary to advance the democratization of Sandinism, but also the democratization of other key political protagonists. We must remember that it is much easier to be democratic when one is among the opposition than when one is on the government's side. The current government party must learn to be democratic as the opposition and the current opposition must do the same as the government.

If the current political leaders of Nicaragua manage to find ways to implement the transition of the security apparatus in an orderly, peaceful, and legal manner, the possibility of advancing the consolidation of a democratic political order would be greatly enhanced. This will require the surrender of arms by the FSLN and all other armed groups, reduction in the military apparatus, and strict compliance with the law and civilian authority. The professionalization and depoliticization of the Army and police will mark the end of the use of organized state forces for partisan political tasks and the beginning of a civilized civic coexistence within the Nicaraguan community.

This beginning of a civic and civilized coexistence will require a true "farewell to arms" from all the political protagonists who will vie for power.

UNO Member Said To Evict Farmers in Region I

PA2103211390 Managua Radio Sandino in Spanish 1200 GMT 20 Mar 90

[Text] A member of the Independent Liberal Party [PLI] in Region I, Ricardo Contreras, has illegally taken over 200 manzanas of land in Palacaguina that was being farmed by seven peasants from the area.

The land had been assigned to Hilario, Genaro, Sabino, and Mercedes Gonzalez, Mario Ruiz, and Sergio and Mario Alfaro. When the results of the elections were announced, the UNO [National Opposition Union] follower showed up on 26 February in the area and notified the peasants they had to move out.

Guadalupe Talavera, a friend of the affected farmers, presented the charges before the local authorities and said that Contreras exerted such pressure that the peasants yielded. Talavera added that Ricardo Contreras was under arrest for two years in Esteli, charged with being involved with the contras operating in the area.

Panama

Linares on Possible 'Rupture' With Mexico, Peru

PA2203033990 Panama City CRITICA LIBRE in Spanish 21 Mar 90 pp 32, 18

[Report by Justino Gonzalez, Jr.]

[Text] The Panamanian Government is prepared to face a rupture of diplomatic relations with Mexico and Peru to enforce the law, Foreign Minister Dr. Julio E. Linares asserted when referring to former collaborators of former General Noriega who sought shelter in these embassies several weeks ago.

The Mexican Embassy in Panama City has announced that it has granted diplomatic asylum to Rafael Arosemena, former manager of the National Bank of Panama. However, the Panamanian authorities have confirmed that they would not grant him a safe-conduct to leave the country, and they sent a note to the Mexican Embassy urging it to desist from offering him protection.

According to the public prosecutor's office, Rafael Arosemena is involved in authorizing the payment of checks for $12 million, made out to cash by former Colonel Marcos Justines. Meanwhile, Heraclides Sucre and Gonzalo Gonzalez, former majors in the now defunct Defense Forces, have sought asylum at the Peruvian Embassy in Panama City. They are accused of killing Major Moises Giroldi, who led the foiled coup d'etat against Noriega in October 1989.

"We are willing to pay whatever price is necessary to enforce the law, because these political refugees are common criminals and they have no right to that benefit," Linares stated when asked by CRITICA LIBRE if Panama would be willing to stop the people who have sought asylum at the Mexican and Peruvian Embassies from leaving the country without facing a trial for the crimes they reportedly perpetrated during the previous regime.

Linares said that Panama will maintain its position of not granting safe-conducts to these refugees, even if the Mexican and Peruvian Government insist on granting them diplomatic asylum, and admitted that this will probably create an international conflict.

Nevertheless, Linares said that he hopes there will be no need to break diplomatic relations with either of these countries, which insist on keeping former collaborators of former General Noriega as refugees, and he emphasized the need to reach an understanding with these nations.

"We hope that relations with Mexico will not cool off or reach a breaking point given the affection that unites us as free nations," Linares added.

He revealed that the Peruvian Embassy sent a note to the Panamanian Government stating that it will continue to give diplomatic protection to the refugees in its embassy, because legal proceedings were started against them after they had been accepted by the diplomatic mission.

"We are preparing a note of reply to the Peruvian Government," Foreign Minister Linares said.

The following persons are still refugees at the Ecuadoran Embassy: former Public Works Minister Rene Bultron, former Labor Minister Cesar Martans, former National Mortgage Bank Manager Julio Shaik, former IRHE [Institute of Hydraulic Resources and Electrification] Director Leovigildo Herrrera, and former Tourism Director Bernardo Dominguez.

Last week the foreign minister reviewed the possibility of granting safe-conducts to five of these officials from the previous regime, provided there is no case pending against them. According to the official, these refugees face charges for plotting against the state's security, a political crime.

Referring to the case of former Legislator Luis Gomez, who sought asylum at the Cuban Embassy, Linares said they will have to make an evaluation.

Union Deplores Paying To Release Funds in U.S.

PA2203021690 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Mar 90 pp B6, B18

["Open letter" from the National Trade Union of Panamanian Bank Employees to Guillermo Ford, second vice president and planning and economic policy minister; in Panama City—date not given]

[Text] The National Trade Union of Panamanian Bank Employees (which is undergoing the process of formation) [Sinaban] has complained that the government has authorized 1 million balboas, not $500,000, to defray the legal costs and expenses necessary to lift the U.S. Government economic sanctions (i.e. aggression), including the order to unfreeze the funds that belong to the Republic of Panama. Now it wishes to make the following response to Second Vice President Guillermo Ford.

Since Panama was the victim of the aggression, since those funds belong to the Panamanian people, and since no Panamanian government asked for the freeze, it is inadmissable that we should have to pay the legal costs that will be incurred so those funds are released. Where is the altruism of the U.S. Government? How can they talk of aid from Washington to Panama and not pay that million balboas?

At any rate, and although we do not agree with it at all, why not deduct that amount from the hundreds of millions that have to be released and that the people so urgently need now, and why are the sanctions (aggressions) not lifted once and for all?

We also ask: Will Panama's depositors be the ones to have to pay, so restrictions established on their own accounts through agreement 8-88 are lifted? We already went through that experience with the infamous CEDI's [Investment Certificate Bonds].

Gentlemen of the government, let us settle our stance once and for all. Are we a free and independent government or will we continue to beg for alms from the big and powerful?

Neither millions nor alms! We demand justice!

Sinaban Acting Secretary Horacio E. Rodriguez S.

Ford Comments on Public Spending, Personnel Cuts

PA2103122290 Panama City Television Service in Spanish 0013 GMT 20 Mar 90

[Panel discussion featuring Guillermo Ford, second vice president and planning and economic policy minister; moderated by journalist Julio Miller; with Antonio Diaz of the newspaper CRITICA LIBRE; Alfredo Molina of Telemetro Television; Juan Carlos Duque of the newspaper LA ESTRELLA DE PANAMA; and Engineer Jose Harmodio Testa representing the professional sector; in Panama City—live]

[Text] [Miller] Let us begin with an opening statement by Vice President Ford.

[Ford] Panamanian brothers and sisters, first I am very pleased to have the opportunity to come into your homes via this radio and television network to talk with Panamanians about the grave fiscal crisis we have found in the government because of 21 years of misgovernment and military dictatorship, which eradicated all vestiges of honesty through its corruption. Before beginning this program, I would like to thank all television viewers for sharing this hour with the government. We will discuss the serious problems that are affecting our country and their solutions too, because we are optimistic about the future. The fact that you have given up the very important evening soap opera to join us means we are all making sacrifices and sharing what I consider a promising future for Panama. We hope that during tonight's conversation—speaking not elaborately but in good Panamanian style—we can talk to you about the pain the Panamanian people experienced and about the promising future that lies ahead of us in the near term.

[Miller] Let Antonio Diaz, director of the newspaper CRITICA LIBRE, begin the question and answer period.

[Diaz] Good evening, Mr. Ford. I represent the concerns of the common citizen, who questions government actions regarding the dismissal of lower-paid public employees who earn salaries between 200 and 400 balboas, while it is said that the government is appointing officials who earn wages of over 1,000 and 2,000 balboas. What can you tell us about this?

[Ford] That is not true. We are increasing the effectiveness of public employees in Panama. Cabinet Decree No. 1 ordered all public employees to protect the stability and security of the Panamanian democracy. That cabinet decree authorized all heads of public institutions to dismiss members of former paramilitary groups and Codepadi's [Committee for the Defense of the Fatherland and Dignity] and sinecures, which were completely eliminated—or broken as we Panamanians say. We had to eliminate the burden that those employees represented for the national budget. In a very few cases, we have reorganized some ministries and institutions to hire people who are competent and fit for certain posts and for whom we had to readjust wages. It would not make sense to dismiss lower-paid public employees and in a cavalier fashion replace them with people who earn higher salaries. That is not what the current government is doing. There might be a few small exceptions, but I assure you that is not the way the government is functioning.

[Miller] Alfredo Molina of Telemetro Television, Channel 13, has the floor.

[Molina] Mr. Vice President, we would like to know what radical changes the government will make to overcome the public sector crisis? We would like to know whether there will be more dismissals, either selectively or massively; whether the 13th-month bonus payment will be suspended; and whether there will be a reduction in public employees' salaries?

[Ford] First, I think it is important to elaborate on the problem that we found when we assumed the government. It is important for the people to know that the previous regime had planned to dismiss 25,000 public employees, because it simply could not meet the public sector payroll. Between 1988 and 1989, the previous regime silently and hypocritically dismissed 10,000 public employees, and nobody had the right to protest.

The new government's mission is to cut the cost of the government payroll without affecting the number of employees. Our intention is not to fire public employees. It would be contradictory for the government to dismiss honest employees in a country where there are 180,000 unemployed people. It is important to stress, however, that we are asking public employees to be loyal to the country—not to the government, but to the country. We are asking for honesty and competence. In response to your specific questions, there will not be dismissals of public employees or wage reductions. We are simply cutting the cost of the payroll.

Let me give you an example. If we dismiss an employee or if an official resigns, we do not necessarily have to pay the same salary to the person hired to replace him or her.

In others words, we are cutting the cost of the payroll but we will not conduct massive dismissals. That is not the government's intention.

[Miller] Juan Carlos Duque of the newspaper LA ESTRELLA DE PANAMA has the floor.

[Duque] Mr. Ford, is there any connection between the reduction of customs duties and cutting the government's operating expenses? Some groups claim that the government intends to cut its operating expenses by up to 27 percent, including wage reductions. In the previous

answer, you clarified that there will not be wage reductions. Can you please elaborate on this connection, if such a connection exists?

[Ford] The government we found—and I say this with deep sorrow, although it is a truth we have to share—was plagued with corruption and fixed contracts. Let me refer to one specific sector. It is inconceivable that the government is paying 30 million balboas in rent every year. That is impossible. We must revise those rent payments. Landlords have not necessarily harmed the government. The problem is that there was a party in the government. The government rented offices that were too big for what the various ministries and autonomous institutions needed. Trips abroad and per diems were excessive. There was an absolute lack of control of the budget, because the budget was nonexistent.

I am very pleased to say that on behalf of the Cabinet, and following President Endara's orders, this afternoon I presented the first national draft budget in three years to the Legislative Assembly. The previous regime spent three years without a budget and therefore acted arbitrarily and as it wanted.

We are cutting public spending through systematic and tight control under the supervision of the comptroller general. One of the mechanisms we will use to achieve that goal is to centralize control over government funds. There will be one single fund. In the past, each ministry had its own fund. The Presidency had a bank account of over three million balboas per year, which was handled at the president's will. All that is over. We have consolidated all that in one single fund, and not one single expense will go unnoticed by the Comptroller General's Office. This cost cutting, therefore, does not necessarily entail a reduction in services or wages. The main thing is to do away with the superfluous expenses of the government and of the decentralized institutions.

[Miller] Engineer Jose Harmodio Testa for the professional sector.

[Testa] Mr. Minister, the government has stated on various occasions that the country's economic development depends on private enterprise. Presently, a substantial percentage of Panamanian consumers are unemployed. This unemployed sector is larger than the the private and public sectors put together. Furthermore, right now the number of unemployed is larger than the number of employed. I ask you: How will you solve the unemployment problem by negotiating with unions? Unions are demanding higher wages and benefits in accordance with what they had previously. How can this be balanced with the unemployed who have nothing?

[Ford] I believe we have to be very, very clear. For the past 21 years, the previous regime has been paternalistic. This means it obtained the support of the labor sector—not in all cases but in many of them—by using union leaders or pseudo-union leaders to gain political advantage. Then a labor law was passed that really favored the labor sector. This is true. However, we believe that the labor law only benefits those who are employed and does nothing for the unemployed. Thus, there is no incentive for businessmen to employ the labor force—which, as you mentioned, is currently out of work and numbers almost 180,000 persons—because the cost of hiring them is too high.

We have, therefore, proposed to union leaders that we discuss the matter at a round table. Why not find the mechanism to solve the unemployment problem among all of us. The labor sector cannot cling to what they have to the detriment of those who have nothing.

Finding a solution to this problem is a challenge for the government, private enterprise, and labor sector. I cannot allow—and the government cannot allow—the population in general to be adversely affected while only one sector benefits. We do not think that the labor law is the only cause of unemployment. It is only one factor. But, I do not believe we—government, private enterprise, and the labor force—should be afraid of sitting down and discussing the matter. What neither I nor the government will ever approve is holding these discussions publicly. Why? Because passions are aroused, criticism through the media is encouraged, and this impedes any agreement.

I challenge the labor sector to tell the unemployed sector why what it has attained must be upheld to the deterriment of others. It is important that we sit down to discuss the matter and reach a solution between all of us because it would be unforgivable to ignore the 180,000 persons who are desperatedly looking for an honest way to earn a living.

[Miller] Mr. Vice President, I want to discuss a very concrete matter: the national budget. How large is the budget this year, and how does it compare to last year? We also want to know if a comparative study has been made—or if it could be done—of the funds allotted to institutions, such as the Education and Health Ministries, versus the funds allotted to the Public Force? Previously, the latter received a bigger budget than the ones assigned to these other institutions, which are of great importance to the country.

[Ford] Of course. The total 1990 budget is 2.0704 billion balboas in revenues and 1.7573 billion balboas in expenditures. When these amounts are compared to the revenues received last year by the previous regime, there is a 500 million balboa difference. These are new revenues that the present government hopes to collect. In short, they had revenues of 1.596 billion balboas, and our projection is for 2.0704 billion balboas. In expenditures, however, there is only a slight increase of 140 million balboas over what was spent by the former regime last year.

It is important to note that the former regime was on the verge of realizing a dramatic drop in revenues, in addition to what it was going to have to do to meet the needs of various institutions, such as in the health field. It is an embarrassing fact that Panamanian doctors who lived in foreign countries and who returned to Panama because

of the aid that was being sent to us, found patients in the Santo Tomas Hospital who were covered with newspapers because there were no sheets. Medicines did not exist. Children suffered brain damage because of a lack of medical attention.

The government, therefore, has decided to increase the health budget this year. I will give you the figures for what we will spend on health this year. This year health will receive 148.7 million balboas. The dictatorship spent 88.2 million balboas on this sector last year. The present government has almost doubled the budget for health.

The Education Ministry spent 238 million balboas last year, and this year the budget is 233 million balboas. It would seem that education will receive 5 million balboas less this year, but we have to take into account that we did not include the 13th-month bonus to government employees in this year's budget. So, if we compare the real figures spent during these years, it would show that approximately 9 million balboas more have been assigned to education compared to last year.

On the Public Force's budget: It is interesting to note that there has been a real reduction of 63 million balboas between the budget assigned to this sector by the dictatorship and the one assigned by the democratic government. What happened was that the past government, the previous regime, had a unique accounting system. They allotted 102 million balboas in the budget for expenses but received almost 50 million balboas in additional revenues. What does this mean? They had G-2 members, paramilitary agents, all sorts of Public Force employees in different ministries and on the payrolls of these ministries. These expenditures, therefore, did not appear in the Panama Defense Forces' main payroll. Now we have divided their expenses and all expenses pertaining to the national police or Public Forces are under the Government and Justice Ministry. In other words, there has been a real and effective saving of 63 million balboas between this year and last year, and there are no hidden stipends like the ones assigned to these men in the past.

[Miller] Antonio Diaz, CRITICA LIBRE newspaper.

[Diaz] Your words have made a strong impression on me, Mr. Vice President. Based on what you have said, how would you define this government? Is it a technocratic or a political one? Also, what are—if any—the similiarities between the proposal presented by the present government and the national development strategy that was the dictatorship's old war horse—to use a common expression?

[Ford] First, I would call this government a humanistic one. Following the intructions of the president of the Republic, we will concentrate all our efforts on helping the poorest people. We have to find real and genuine solutions to the poor people's problems. This means we have to expand the job market to allow poor people to enter and benefit from private enterprise.

I do not believe we are similar in any way to the previous regime. The previous regime fostered a producer state. They formed a series of state firms for the sole purpose of corruption. We all know how much the State's sugarcane plants costs us; how much the Bayano Cement factory costs us; and how much the hyroelectric plants cost us. In short, this government will not continue the producer state. It will be a government that supports free enterprise—understanding free enterprise to be friendly relations between capital and labor. We do not want to favor businessmen to the detriment of workers. There has to be a meeting of the minds between labor and capital so that this country can develop. This needs to be achieved quickly, and we hope to be able to stabilize the country this year through privatization. The state—in my and the Cabinet's opinion—must not be a producer state. It has to stimulate, regulate, and promote our economy and should never take the place of private enterprise.

[Miller] Alfredo Molina, Channel 13 Television.

[Molina] There are important sectors in the country who believe that the government plans to sacrifice some of the people's needs to pay the foreign debt. What are the possibilities of declaring a moratorium or implementing a strategy similar to the one used by Mexico, which was able to get its foreign debt reduced by 35 percent?

[Ford] Let us divide our foreign debt obligations into three parts: 1. debt owed to the Paris Club—to friendly governments; 2. debt mainly in the hands of private international banks; and 3. debt owed to international fianancial institutions.

The present budget brings us up to date with our commitments to international financial institutions, such as the World Bank, IMF, etcetera. If this is not done, we will not receive additional resources to inject into our national economy this year or any year thereafter.

The inheritance we received from the dictatorship was a pending balance of 540 million balboas with international financial insititutions. There is currently the following proposal: The Panamanian Government would pay 130 million balboas; the U.S. Government would pay another 130 million balboas; a similar amount would be paid by other democracies that are friends of Panama; and a bridge loan of 540 million balboas would be obtained to erase the balance owed to those institutions. This means that by the end of the year and in the future Panama would have access to substantial amounts of credit. This would also send a very positive signal to the international capital markets, which would enable the government and the country in general to obtain additional loans.

However, let us also be very clear. Although it is true that we have reserved this amount for our payment, we have told the financial institutions that we are not going to pay a cent until the support group helps us eliminate the total pending balance of 540 million balboas. It would be senseless to pay our share at this time without having any guarantee that—to match our effort—the additional

funds we have mentioned would be made available to us. So, we have set aside the amount mentioned to make our payment to obtain subsequent benefits. If we do not receive the support or if the support group is not formed, we simply will have to find another solution at the cabinet level. We have not made any payment up to now to international financial institutions. However, the present government is committed to catching up on our payments in exchange for new loans in 1990 and thereafter.

[Miller] Juan Carlos Duque, LA ESTRELLA DE PANAMA newspaper.

[Duque] Mr. Ford, the government that preceded the one you represent was known for its big public investments, some very much questioned because of their poor return or because of dishonest involvement. That government was well known for padding the government payrolls. A few days ago you spoke of the ideal small government. How can you reconcile these differences and satisfy the need to create more jobs every year in light of the present circumstances in which there are more than 150,000 or closer to 200,000 unemployed—taking into account normal economic growth for both the government and private sector—with the small government you describe?

[Ford] First we must be frank. Investments such as Cerro Colorado, where $100 million was wasted, and the Social Security Fund housing project that practically ruined the Panamanian people's most important institution—the Social Security Fund—were nothing more than public fund robberies. As I mentioned before, all these pompous works, which in the long run have been nothing more than a burden to the government, contribute nothing and are not this government's style. Our theory is to strengthen private enterprise so that we can start transfering some of the state payroll onto private enterprise.

This gives the government employees more security and stability, and we in turn can make substantial cutbacks. I feel—and this is how the members of the cabinet feel—that what Panama needs is a small government. We cannot continue growing by increasing the government payroll—144,000 public employees are far too many for a country of 2 million people. But, I repeat, we can only reduce the burden of this payroll in line with the growth of private enterprise. In sum, what we need to do is encourage rapid growth in private enterprise so as to slowly begin unloading the government payroll onto the private enterprise payroll.

[Miller] Engineer Jose Harmodio Testa representing the professional sector.

[Testa] You once again repeated that private enterprise has to be encouraged so the country gets the jump start it needs. We noticed that the military government made dubious agreements with the country's communist parties and communist groups, especially in recent years due to the controversies with the U.S. Government. How can you say then that you are going to keep one group of public employees if the Labor Ministry is full of people representing these groups; if 50 percent of the Panama labor unions are made up of communists—or at least they follow communist guidelines—if you say there is not going to be any reduction in the number of public workers? Private manpower has been reduced substantially, because the communists attained their goal: the destruction of private enterprise. Proof is that all Panamanians are well aware who destroyed Panama during the invasion. It was not the gringos. Private businesses were not destroyed by the gringos. Private businesses were destroyed by the employees with the Codepadi and the Defense Forces. They destroyed private enterprise. How can you then say that you are going to keep one group of public employees just like we had before when private enterprise was much larger—now private enterprise is about 50 percent of what it was before, or far less—and you are not going to fire them or replace Labor Ministry workers because cutbacks should not be made?

[Ford] I think you have asked an interesting question, and at the end you mentioned the word replace, which I believe is where the key lies. There is a group in Panama that we now call the Yonis [play on Spanish words: Yo no—I did not] I was not, I did not know, I was not a paramilitary. The Yonis must leave the government. We must only have people who are loyal to the country. Any person who wants to use his position to destroy democracy from inside the government will not be able to remain on the state payroll. I am not going to describe any types of groups. Simply put, they must be loyal to the country, not to the rulers. We are replacing personnel who were fired because they were members of the paramilitary groups, Codepadi, or for any other reason, such as fraud or whatever. They are being replaced by honest persons who love Panama. The net result is that the payroll does not decrease. If you fire two Codepadi members and hire two serious people, the number of people on the payroll will remain the same because you will have replaced the bad with the good.

There is no comparison between employment within the private sector and what we inherited. We said at the beginning that this is a paternalistic state and that satiating their appetite allowed the government payroll to grow. It would be an irresponsible act of government at this time if we fired public employees when there are already more than 180,000 people unemployed. We must simultaneously and as quickly as possible strengthen private enterprise and relieve the public payroll. However firing public employees now and making them join the ranks of the unemployed would create chaos in Panama, and we could not consolidate democracy.

The most important thing is democracy. However, democracy per se is not the solution. The solution is what it offers. Democracy is the freedom to express ourselves as we are doing tonight. It is the freedom to obtain a job with dignity and decorum, not the paternalism that threw crumbs at the Panamanian people and

deceived them, not the sinecures, and not the mistresses living free of charge in MIVI [Housing Ministry] housing. It means administrative seriousness. All of us have to strengthen the economy and make it rebound, because we found it in a sorry state.

However, believe me that I, as planning minister, feel extraordinarily optimistic. The budget we presented today does not take into account the donations. It does not take into account the possible assistance from the United States or any other democratic country. This budget is strictly limited to the projections of the country's revenues. Therefore, if there is any extra income, we can submit special appropriations to the Legislative Assembly for discussion and approval.

In sum, I would not like to establish a parallel between employment by private enterprise and by the state. What we cannot do is create further unemployment. It would mean creating chaos and doing a disservice to democracy.

[Miller] Mr. Vice President, we have noticed that a large number of public officials are worried about reports that their salaries are going to be reduced 10 percent. Is this true? Is there any basis for that? What can you tell us about this?

[Ford] I repeat, when somebody talks to me about reducing a payroll by 10 percent, I do not necessarily ...

[Miller, interrupting] The salaries...

[Ford, interrupting] That is what I am referring to. I am referring to the overall payroll. This does not mean that the salary of each employee has to be reduced 10 percent. If a person is dismissed and another person is hired at a lower salary, this will have a positive effect on the payroll. The message sent by the Council of Ministers to all cabinet ministers and to the autonomous and semi-autonomous agencies is not to cut the salaries of all employees by 10 percent, but to strive to cut the overall payroll by seven to 10 percent this year. Many people are construing this to mean that the salaries of public employees will be reduced 10 percent. We cannot reduce the income of public employees. As I said before, what we have to do is rationalize with the mechanisms we have mentioned.

I think we have to assuage the anxiety of public employees. There will not be any mass dismissals of public employees. There are no plans to reduce the payroll by 10 percent. What we are trying to do is to reduce the total payroll cost by not replacing the employees who are dismissed, retire, die, or resign, or also by hiring personnel for a lower salary than the ones who are dismissed. Let us assume that a number of employees are dismissed because they belonged to the paramilitary groups. I feel the ones who are hired to replace them do not have to be paid the same salary as their predecessors. This has a positive effect on the payroll.

However, we must make public employees feel secure. During the election campaign, and it is good to stress this point, the president of the republic made a commitment not to fire serious and honest public employees. What we are doing is purging the government apparatus, which indeed has a good many termites.

[Miller] Antonio Diaz of the newspaper CRITICA LIBRE.

[Diaz] Mr. Vice President, I would like to place some emphasis on what Eng. Testa mentioned a few minutes ago, that is, the inconsistent or contradictory government actions. For example, the Labor and Social Welfare Ministry has authorized the forming of a union in a firm in the Colon Free Zone. There is also outrage over the securing of the assets of Editora Panama America, which is a disguised attachment. There is expectation about this in Panama, because people find no explanation or cannot understand why this type of error is being committed. Can you comment on this?

[Ford] I am not familiar with the details. I am not a lawyer, and I must naturally respect the decision of the labor minister. However, I think Panama needs peace and tranquility, but there must also be justice. The judicial mechanisms—the courts, the Supreme Court, the prosecutors' offices, etcetera—are already working on this. I feel that any conflicts between the parties must be submitted to the courts. Regarding the specific case of EL PANAMA AMERICA, I think it is regrettable. I am the first to deplore it, because we want a free press to operate in Panama. I repeat, I cannot in any way try to pass judgment on this action because I am not a lawyer. I hope a settlement will be reached soon.

Regarding the union which you said has been granted legal status to operate, I am not familiar with that case either. What I feel is that we Panamanians must not persecute each other. There must be equitability, but there must also be justice. If there is any legal reason to take a given step, I support it. If there is arbitrariness I will criticize it publicly, regardless of the source. I repeat, I am not familiar with any of the two cases at the Labor Ministry you have mentioned. I will talk with the minister and ask him to explain them to me so I can understand what they are all about.

[Miller] Alfredo Molina of Telemetro Television.

[Molina] Mr Vice President, you said that the government wants to promote private enterprise. In this sense, we want to know what role the local and international banks are expected to play, since they fear a lifting of the banking restrictions. What is the immediate future of the international financial center? Will it serve as a basis of support to achieve the hoped-for reactivation?

[Ford] I do not think the banks are afraid of a reactivation of intermediation, which is their fundamental role. We have called and held several meetings with members of the Banking Association and at the level of the Banking Commission because, logically, the national

government is particularly concerned about the private Panamanian banks and the state-run banks, which are the Savings Bank and the Banco Nacional de Panama. We have spoken very clearly. The freeze on bank deposits cannot be maintained indefinitely. We have told the private Panamanian banks that they have a maximum of 60 days to submit a concrete proposal so we can see what they need or what support they require from the national government.

Moreover, during my trip to the United States I will try to find a way to supply enough funds and infuse some oxygen into the Panamanian banking system. Our goal is to free all deposits within 60 days if possible.

[Miller] Juan Carlos Duque from LA ESTRELLA DE PANAMA.

[Duque] Mr Minister, you seem to be defending privatization come hell or high water. Some applaud and some criticize privatization. Why do you defend it, and what benefits can Panama derive from it over the short, medium, and long term?

[Ford] I think that the ones who attack it are the sinecures, the ones who are used to living under a paternalistic state, the public employees who love to eat carimanolas [Panamanian dish] four times a day and not work at all. I do not pay attention to that kind of employee. If a serious employee proves to us that the privatization of certain enterprises is not convenient, I will certainly be willing to talk with him and discuss the issue.

Second, privatization is a very broad concept. The national government has not categorically stated what it will privatize, but we have certainly said the following: First, we cannot keep state-owned enterprises which require a subsidy from the state, because that would imply supporting sinecures, an unjust burden that weighs heavily on the national budget. Second, the privatization may contemplate the sale, through a public bid, of a given state asset. Third, we can apply the experiment carried out with Petroterminals of Panama, which has given extraordinary results, meaning the combination or joint capital venture between the state and the private sector.

I think that the Panamanians sometimes like to criticize, despite their ignorance. I remember that when we proposed a privatization—and that is our goal, without saying which, how, or when—some unions immediately reacted and said they rejected it. I recently answered them by asking: Why do you oppose something you do not understand? A seminar was held last week and we were finally able to explain the scope of privatization.

The challenge is this: We must defend the rights of Panamanian employees in any state-owned enterprise subject to a privatization. We must make sure that whoever purchases the enterprise through a public bid will strengthen the national economy—not purchase assets, such as machinery, and then take them elsewhere. We also issued a challenge to those who are used to working in state-owned enterprises and receiving juicy salaries, to the detriment of the poor who have no jobs, and who now complain that the enterprise will be privatized. The truth is that they are afraid we will make sure they work—that is the great difference—and we will make sure they work.

[Miller] Eng. Jose Harmodio Testa, for the professional sector.

[Testa] Mr. Minister, are there any possibilities of extending the preferential interests law that is about to expire and in the past served to develop the construction activities?

[Ford] There is definitely a great possibility. We are waiting for the mortgage banks to request it, and then we will immediately submit it to the Legislative Assembly for approval. We believe that everything which represents an incentive for building dignified and decorous houses for people at every level is vitally important. The answer is affirmative: The national government is willing to implement the law.

I want to take this opportunity to announce that the honorable ambassador of the Republic of China signed the documents today for a $10-million loan to the Savings Board. The loan has extremely easy terms and will allow the Board to grant loans precisely to those people earning low incomes. We are beginning the reconstruction process. I ask the Panamanian people to be patient. Hunger is certainly affecting them, but we will not rest a single second until we find the mechanisms that offer the Panamanian people that long hoped-for reconstruction.

I can certainly guarantee this: All the studies we have conducted at the Planning Ministry indicate that our economy was heading in one direction under the dictatorship—downhill. Public employees will no longer get postdated checks. We will not give them promissory notes. They will be paid in cash. Therefore, we are slowly but surely beginning a reconstruction process. I personally believe—and I say this with pride—that the most important thing our country has is the Panamanian people's enthusiasm. We will not allow the underhanded interests of bad Panamanians, who have been removed because they supported the dictatorship or for other reasons, to disturb public order so that no investments are made in Panama. That would be a crime against the homeland and we cannot allow it. We want stability but there must be opportunities so that we can consolidate democracy and achieve stability. We do not want crumbs. We do not want money thrown at the Panamanian people. They should be allowed to earn a living in a dignified way.

[Miller] Mr. Vice President, it is said that those who wait end up losing their patience. There is a social explosion in Panama because problems seem to be beyond the government's ability to solve them. What plans will be

carried out? What is the government's outlook, given the dire situation that has made many groups in our country impatient?

[Ford] I have always said that if there is a noble people in this world it is the Panamanian people. They must understand that tomorrow marks the 90th day of our assuming the responsibility of what we never dreamed we would find: An entire country in ruins. A National Bank with 9 million balboas in deposits.... [corrects himself] in its vaults. The rest had been stolen. A $970-million overdraft by the government at the National Bank. An accrued international debt of $2.6 billion. An accrued debt of $240 million with local lenders. We are not talking about loose change. We are talking about hundreds of millions and billions.

We wish we could solve everything by tomorrow. We cannot. We must talk honestly to the people. They were lied to for 21 years. They began to suffer and they grew accustomed to suffering. We do not want them to grow accustomed to suffering. We want them to be happy and vocal, but we also want them to be understanding. I agree that they have the right to rebel if, as time goes by, President Endara's Government does not provide a realistic and effective solution to the poverty, health, and education problems.

Right now, I.... [changes thought] We feel some undercurrents of interests, but not Panamanian interests. For example, the people of Chorrillo, believe me, are in the hearts and minds of the president and the two vice presidents. That is our top-priority project. Nevertheless, we see some protests in Chorrillo. No one will be able to convince me that this involves all those who lost their homes, because they are being given alternatives. We see alien hands pushing them. We will not allow that. The people have the right to rebel if this government does not solve the Panamanian people's problems, but they have no right to rebel if a few want to secretly defend their interests and destabilize our democracy.

The dictatorship is over and will not return. Democracy, no matter how weak.... [changes thought] We will live in a democracy from now on, and our obligation is to provide the solutions. We hope to be able to offer you realistic and effective solutions as soon as possible, but you must wait and be understanding. If we go back to 20 December and compare what Panama had then and what it has today.... [changes thought] We now see happy people, optimistic people, and people who make demands, but we also see a government that listens to them and does not lie. We previously had a government that clubbed the people when they requested something. There is no more clubbing here. There is understanding and there will be mechanisms to solve problems so that we can all become the people we want to be: A happy people.

[Miller] Antonio Diaz of CRITICA LIBRE.

[Diaz] Because of the economic recession, Panama has one of the lowest per capita income levels in Latin America. In light of this, what has been the order of priorities established by the government?

[Ford] First, I must tell you that there has been a drop of approximately $500 per year in per capita income. This figure has gone from $2,350—more or less—to $1,847. Let us mention some of the mechanisms we have used: The government assigned $3 million—with great sacrifice within the national budget—to create 5,000 jobs. These are temporary $200 [per month] jobs but at least something.

We are now about to issue $50 million in government securities through banks for businesses that were devastated during the 20 December incidents. However, we have placed a condition on the loan: Any businessman requesting that loan, to be repaid over four years, will have to reinstate no less than 80 percent of the personnel he employed as of 19 December.

We do not mean hiring new personnel. A businessman has to use the same personnel he had so that this will not be used as a mechanism to dismiss old employees and hire new ones.

We are thinking of establishing what we have described as the Special Social Fund [Fondo Especial Social], the FES. Initially, it will begin working with $50 million. This is part of the program I am going to propose to the United States on behalf of the national government to create jobs. The important thing, I repeat, is not to bring in money but to create jobs. Therefore, we are tackling the unemployment problem from several directions by promoting the creation of jobs in the short term.

[Miller] Alfredo Molina of Channel 13.

[Molina] We would like you to elaborate more on the aid that the United States promised for Panama. It is very slow in coming. You said the situation is very different in Panama. This is a bankrupt country that wants democracy. Do you think this experiment might fail because we are being smothered economically? Or is the United States seeking some kind of political and economic advantage by speeding up this experiment in our country?

[Ford] We have always maintained that we should depend on no one. I ask myself a question: What would have happened if the United States had not offered anything? We would have to solve our own problems. Therefore, we cannot rely on foreign aid only. We must promote investments. We must invite other businessmen to come to Panama and invest. We must use banking mechanisms. We must use all the mechanisms we have discussed tonight.

However, we must understand that the U.S. aid must be approved by Congress. That is a very slow bureaucratic process. Last week, President Bush urged the U.S. Congress to speed up the budget discussions to help us quickly. Thus, the debates on aid to Panama—which were planned for April— began this week.

The important thing, I repeat, is the attitude of Panamanians. It is like when ones experiences a tragedy in life. There are two alternatives: You either sit down and cry or you get up and go on. The Panamanian people decided to get up and go on.

Another important thing: There has been talk about millions and billions. The people are fed up of hearing about this. However, the aid does not imply that we are going to get a check or that a plane carrying $1 billion is going to be sent to us. These funds will be received through sources of credit to reactivate the economy, promote exports, and grant local loans. It is an economic menu. It is important for our people to understand that we are not going to receive $1 billion in bags to be distributed among the people. These funds are channelled through economic programs aimed at reactivating the economy.

The previous regime boasted about millions irresponsibly. There was a dance of millions here. But these millions could not be seen. All we saw was poverty. This government will not lie. It will begin programs approved by the U.S. foreign aid. It will announce: This program consists of the following and the program will be explained. However, the government will not say that $1 billion is coming to Panama in a plane because it is not true. We must view these funds as support for our country's economic recovery.

[Miller] Juan Carlos Duque of LA ESTRELLA DE PANAMA.

[Duque] Mr. Ford, there is an institution that is the soul of this nation: the Social Security Fund [CSS]. Its present director has repeatedly and dramatically explained its current situation and its poor condition. What is the current government doing to save the CSS?

[Ford] This topic is very important. The CSS does not belong to the government. It belongs to the employers and the employees who pay social security taxes. The government, as an employer, contributes to this fund just like everyone else. However, in the past, the CSS was squeezed dry, and not only through bad loans and housing programs. In the past, the previous regimes insisted on paying the employer's CSS share and the CSS deductions taken out of employees' salaries with IOU's. This put the CSS in deep trouble.

This year we are making an effort to pay the CSS $44 million in cash. This represents 50 percent of the employer's quota. We are going to make good approximately $140 million of the IOU's, which have to be paid this year. This money has been set aside in the budget. We were also able to solve a projected deficit that amounted to $125 million. Thus, there is no CSS deficit this year. However, this does not mean that the heavy burden—government debts to the CSS amount to more than $580 million—it must carry has disappeared. The government had been paying interest with paper and more paper, which amounted to no payment at all.

As soon as we balance the CSS financial situation, CSS General Director Jorge Endara Paniza will bring in experts to conduct a thorough study of that institution. However, the top priority of the national government is to save the CSS. At this time, that institution is no longer running the risk it ran 60 days ago. I want to publicly congratulate the CSS general director because he is implementing corrective programs to save the institution. The CSS is not solvent yet, but we have kept it afloat this year to make the appropriate adjustments once a complete analysis is done.

[Miller] Jose Harmodio Testa of the professional sector.

[Testa] I understand that we can count on there being no increase in the CSS taxes if the national government is able to pull it out of its poor financial situation. Will the CSS and the Health Ministry continue to work together?

[Ford] The Consolidated Health Care System will continue to operate. The Health Ministry and the CSS director will review the system and recommend whether or not to continue it. There are some who support this system—and it has great benefits—and there are some who reject it. What I do not advocate is the state transferring its responsibility to the CCS and not fulfilling its duty as the national government. However, I repeat, the health minister and the CSS director will have to evaluate the Consolidated Health Care System.

In addition, it is not advisable to even talk of an increase in CSS taxes until a study, a real assessment of the CSS situation, is conducted.

We are getting over the period of anxiety. As the director of the CSS has said, the institution had a monthly deficit of 10 million balboas. This is related to the 125 million balboas we have mentioned. We have to keep the institution operating and offering the best possible service. We have to review its situation, make estimates, and decide on corrective measures that may be needed—and there are several options in this regard—to strengthen the financial situation of the CSS. For the time being, I personally do not foresee increasing the monthly fees, unless the CSS Directorate decides otherwise.

[Miller] Mr. Vice President, to conclude: Will this budget and the government's economic policy satisfy the people's needs? The budget of the past regime called for the construction of roads that were not built and the repairing of schools that were not repaired. Will this budget and the government's economic policy satisfy these urgent priorities, or will the reduced budget put limits on infrastructure works and other works the most needy sectors of the population urgently need?

[Ford] Logically, investments in infrastructures, on public works, do not produce the results we would like. Last year, however, this type of investment amounted to approximately 52 million balboas, and this year we envisage investing 149 million balboas in that sector, that is, three times more.

Furthermore, as I said at the beginning of the program, we have not taken into consideration donations or additional loans. For example, one philosophy of the central government is that projects must be self-financed. We are already talking about the construction of a Panama City - Colon highway. This is something the people are demanding. The government, however, cannot assume another debt to build this highway. One possible solution could be a joint government - private enterprise investment project to build the highway and then to charge a toll.

The idea is not just to finance infrastructure works through the budget, but through modern mechanisms that establish joint government - private enterprise investments or through donations that we could expect. The U.S. aid package will include some donations specifically for infrastructure works.

[Miller] To end this program, carried by Circuito RPC Television, Telemetro Television, and Circuito RPC Radio, we would like for you, Mr. Vice President, to send a message of hope to the Panamanian people, who hope that there will be some short-term solutions.

[Ford] In our opinion, the most important objective is to consolidate democracy. Whenever we feel depressed, let us remember what the dictatorship was. Under it, human beings did not exist and were intrinsically without value. In our opinion, nothing is more important than human beings. Possessions only complement human activity. We urge the Panamanian people to be optimistic. We are aware of the situation. We travel throughout the country often. We know of the anxiety of people without a job. We would like to have the answers right now.

However, we are going to promise you solemnly that we are not going to lie to the Panamanian people. We will tell the truth regardless of how painful it may be. I repeat: The government is increasingly optimistic. We see the light at the end of the tunnel. Now it is not like during the sad days of the dictatorship when people were afraid and young Panamanians sought ways to sell their talent abroad because there was no room for them in Panama.

Panamanian people: Have faith in democracy and in yourself. Do not cry. Search your own conscience and ask yourself: What can I do for Panama? Aid, not foreign aid, but psychological aid and contagious optimism is what will take this country to victory and to the consolidation of democracy because once and for all we have eliminated every remnant of the dictatorship. We cannot let any kind of dictatorship, whether of the right or the left, military or civilian, to return. No to dictatorships. Yes to democracy. Good night.

Arias Calderon Comments on Illegal Aliens

PA2203014590 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Mar 90 pp A1, A10

[Report by Claudio Herrera J.]

[Text] Government and Justice Minister Dr. Ricardo Arias Calderon yesterday announced the departure of 1,217 Chinese citizens from the country because of their "irregular legal situation."

Arias Calderon, who was accompanied by Jose Chen Barria, director of the Government and Justice Ministry's Migration and Naturalization Office, told the international media about "efforts to adapt the situation of foreigners who are in our country to Panamanian laws."

Vice President Arias Calderon also revealed that 1,217 Chinese citizens left our country between 1 January and 17 March—802 of them left voluntarily and on their own; 260 left voluntarily, accepting the Migration and Naturalization Office's repatriation program; and 155 were deported.

Citizens from several countries are currently leaving the country. It was discovered that they were illegal aliens during "Operation: Rescue Tranquillity Amid Democracy." Referring to this, he added that 17 Colombians have already left the country through the National Air Service.

Arias Calderon explained that 57 Colombians, 28 Peruvians, and one Ecuadorean are about to leave the country, representing part of an overall effort in the migration sector.

He also revealed that a new measure has been added. The passports of many citizens who arrived legally in our country were withheld; this represented "organized manipulation."

"There is evidence that the affected people had to pay 100 to 200 balboas to recover their passports," stated Arias Calderon, who announced that the Migration and Naturalization Department will begin a program to return the passports.

The return of passports withheld by the previous administration will include 1,200 Cubans and 7,000 Chinese, who will be able to get visas and authorization to depart for a third country, if they wish.

"This will abolish the illicit transaction they (the foreigners) had to pay to recover their passports," and this, in Arias Calderon's opinion, "will certainly help control the black market of passports."

The program to return the documents will begin on 26 March in the Chinese citizens' case. The passports will be given out at the Chinese Cultural Center in El Dorado. Referring to the Cubans' case, Arias Calderon said that contacts have been made with the priests at El Carmen Church.

Arias Calderon also announced that the U.S. Government has granted visas to approximately 50 immigrants who are currently in Panama, and specified that 53 visas are being processed for Cuban minors.

Asked who the Panamanian citizen of Chinese origin was who was in charge of the Migration and Naturalization Department, Arias Calderon said that he was appointed because he is a capable man, with a master's degree in public administration, and is a university professor.

Likewise, Chen Barria admitted that two people of Chinese origin are working in his department. He said that one of them works in the investigation section and the other works with the public.

Chen Barria justified these people's presence in the migration section, saying that 90 percent of the persons who make transactions with the office are Chinese and a similar percentage of them do not speak Spanish or any language other than Chinese. "The migration officials cannot understand sign language..."

He explained that approximately 208 Chinese entered the country between 1 January and 17 March, and 100 of them applied for visas for Expocomer [Panama Trade Fair].

"We have not thought about creating a law for the Chinese. The law must be enforced, that is all. Retail trade should be in the Panamanian people's hands," Chen Barria answered when asked about the issue.

Referring to the Chinese citizens, Chen Barria emphasized: "We cannot stop the country's economic development. We know that Hong Kong and Taiwan are great economic powers."

Talking about the Colombians, Arias Calderon conceded that "some problems" have arisen concerning the second flight and, although he did not expand on the situation, he said: "I am convinced that these problems can be solved by talking with diplomatic officials."

Arias Calderon reasserted his ministry's willingness to allow "broad freedom of expression, and this is extends to foreign journalists." Referring to this, he said that there are no additional requirements, except for a visa.

Chen Barria revealed that a revision of the migration law is expected, and that it will follow normal procedures, adding that an administrative operation system has been established in migration. The system has proven, until now, that it makes procedures in that department more practical.

PTJ Chief Reports Drug Traffickers' Threats

PA2203015490 Panama City LA PRENSA in Spanish 20 Mar 90 p 16A

[Report by Vilma E. Figueroa B.]

[Text] Judicial Technical Police Director Leslie Loaiza has said that he has received threats from drug kingpins. Loaiza added that, because of the alleged existence of guerrilla groups, it is necessary for the authorities to remain on a state of alert.

Recently, some people were arrested in Chiriqui after they distributed leaflets from an alleged guerrilla group, known as the "20 December Movement (M-20)," claiming responsibility for various terrorist attacks against U.S. soldiers, and simultaneously announcing campaigns to carry out other similar actions. Loaiza added that because of this, a group of Panamanians is under surveillance, but said to prevent any hindrance of the investigations, he could not give further details.

Concerning the threats he has received, Loaiza said that on 16 March, a group that claims to be linked to the Colombian drug traffickers threatened to remove him from his office if he continued to work against criminals.

Regarding the various weapons that have been found in various locations in Panama, Loaiza said that this is troubling. Therefore, investigations are being conducted to find "other weapons we know must be stored, because the past regime stored a lot of weapons that have yet not been found," he added.

Argentina

Menem Interviewed on Goals of Reorganization

PY2203024290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Mar 90 p 17

[Interview with President Carlos Menem by unidentified reporter at Government House in Buenos Aires—date not given]

[Text] [O ESTADO] The new presidents being installed in South America have said that they do not want to repeat the mistakes being made in Argentina. Why has Argentina become a negative example? What advice would you offer your Brazilian counterpart?

[Menem] I would say that Brazil and Argentina are similar. Both are enormous and both have the same defects and the same dreadful shortcomings. I believe that the state must be reorganized very quickly, but in accordance with the circumstances that prevail in Brazil. We cannot establish total and absolute parallelism between Brazil and Argentina. The two communities are different, they have their own idiosyncrasies and different social styles.

There is no doubt, however, that Brazil must be reorganized. My counterpart, Collor de Mello, may do it gradually or implement a shock, but this is a risk he will have to run on his own. No Latin American country has any alternative but to try to do what we are doing here in Argentina.

[O ESTADO] Do you wish now that you had implemented a shock policy right at the beginning?

[Menem] There was a shock. To have done it any faster would have been impossible. We had to comply with the legal requirements. Privatization acts affect assets that belong to the community, not to the government. The Constitution and the laws determine the way to dispose of state properties. In eight months, six of which were not really our responsibility, we have done more than other government—democratic, pseudo-democratic, or totalitarian—has done in 30 or 40 years. This is reflected in the firmness and boldness with which this administration has fulfilled this task, a task that we consider a matter of life or death for the country.

[O ESTADO] Toward what goals are you now leading the state reorganization?

[Menem] To place the state at the service of the community and to free the enormous Argentine growth potential. In my country the state gradually became like a father who cheerfully administered the national assets, because it had become a factory of subsidies. The state then continued to spend more than it had until all resources were gone. The state also allowed corruption and fraud to develop and increase. This is the type of state that we have inherited and which we are trying to modify.

Among the infinite number of definitions normally given to a state, I would say that a state is a politically organized nation. The state must be strongly active in the field of education, public health, justice, security, and foreign relations. As the state began to act in other areas, it forgot those prime responsibilities.

[O ESTADO] Have the measures of the economic package that you released last week been successful?

[Menem] At least hyperinflation is not now eating up the taxes that are paid daily according to the inflation rate. They will continue to be paid this new way until the inflationary process is over. This week we have already seen some positive signs: the dollar rate has gone down, the situation has become calmer, and interest rates have also gone down. The commercial sector is also reacting and some stores are already announcing that they will no longer increase prices. I would also like to point out that the accounts are more balanced in the last three months. This is the first time since 1929 that Argentina has reserves to guarantee the australes that are in circulation.

[O ESTADO] In search of political support for your reform program, you appear to be making alliances beyond parties and are leaving aside institutional chains. Isn't that extremely risky?

[Menem] No, there is no risk. The parties that make up the Justicialist Popular Unity Front support us, although they criticize us. In other words, they accompany and support our government. Let me mention the example of Alvaro Alsogaray's participation in the government as a presidential adviser and not as a member of the national government. Alsogaray's cooperation resulted in massive support by the Democratic Center Union, which coordinates provinces as important as Santa Fe. Politically, this government has a generalized consensus of political parties. We have invited the Radical Civic Union to join us through some kind of a pact, so that the umbrella becomes broader and can thus better protect the system of government that this government defends in a total and absolute manner, that is, the democratic system. We are totally convinced, however, that Argentina does not intend to give up or modify the economic orientation that we have given it.

[O ESTADO] Is Alsogaray's presence in your government, and the privatization policy, a hard pill to swallow for your supporters?

[Menem] This has nothing to do with Alsogaray. This is a proposal made by Peron 20 years ago. No one has had the courage to implement it. If anyone takes the time to read the message delivered by Peron to the Argentine people on 10 May 1974, he will realize that Peron was proposing what I am proposing now. What happened was that Peron died a short time later, on 1 June.

[O ESTADO] Do you feel that some day you will have to do what Peron did and throw out some Peronists, saying that they are not Peronists?

[Menem] No, I am not planning to do that; those years were different. Those were people who manipulated

Peronists in an effort to impose conditions. Those were the years of violence, subversion, and a number of attitudes that had nothing to do with the Argentina that Peron wanted—the Argentina of work and peace.

[O ESTADO] And the day that Saul Ubaldini (a General Confederation of Labor leader, a Peronist, but one who opposes Menem) fills a square with a rally?

[Menem] It is time for him to do that.

[O ESTADO] To protest against you?

[Menem] To protest against the government's policy, to protest against the president. I am not here to pay attention to my popularity. I want to leave a better Argentina than the one I received, but that cannot be done in two or three months. I asked for two and a half to three years to begin to reap the fruit of these efforts. Argentines are very anxious. They have a very poor memory. We forget what we are told. They forgot what the president of the nation told them.

[O ESTADO] Your policy is causing serious social consequences. Did you get some foreign support, some financial assistance, to get around these problems?

[Menem] There is a letter by George Bush, giving full support to the policy we are implementing. When the United States of America is supporting a given country, our country in this case, it means that there is a possibility of securing financial assistance from international organizations such as the IMF, the World Bank, or the Paris Club, organizations that have already released a number of credits that had been frozen because the former Argentine Government did not meet the goals.

[O ESTADO] In the present political and economic situation, do you admit the possibility of a social explosion in Argentina?

[Menem] No, there is no risk of a social explosion. Venezuela had a social explosion.

[O ESTADO] What about what happened in Rosario before you assumed power?

[Menem] They were cases of vandalism and looting of no greater proportions than those occurring now. They were acts of looting, not a social explosion. Obviously they are worrisome. I will not say that these incidents do not worry me. We want to maintain peace and order. When agitators infiltrate, then one must try to prevent these incidents from escalating into something more serious. Social explosion, I repeat, is what happened in Venezuela. There were acts of looting in Argentina that were easily controlled.

[O ESTADO] Is your concern about the social situation what prompts you to think about the role that the Army might play in such cases?

[Menem] No. The Army is there for cases like La Tablada, for serious cases, for grave internal commotion. Only when the security forces cannot cope with cases of that nature is the President authorized to order the Armed Forces to intervene.

[O ESTADO] Have you heard of "Bordaberryism"? [referring to former Uruguayan President Juan Maria Bordaberry Arocena]

[Menem] Please, that joke is in very bad taste.

[O ESTADO] In view of the social situation, aren't you concerned about the trips and visits that former officers, like Seineldin and Aldo Rico, are making around the country?

[Menem] Those visits do not necessarily mean agitation. They could be political attitudes with a definite demagogic slant. To be an agitator, one has to be a professional. There are others that are better at this. The ultra-left is spectacularly professional.

[O ESTADO] What would be the purpose of those trips by former officers throughout the country?

[Menem] They perhaps plan to form a political party. I would, however, like to say this: An officer who loses his military status loses his power. An officer who goes into civilian life can hardly incite a detachment of the Armed Forces to rebellion. Rico, Seineldin, and others were protagonists of important events but, even with guns in their hands, they did not achieve much. I ask: What will they achieve without guns?

[O ESTADO] The international press has speculated lately about the possibility of a coup in Argentina.

[Menem] Only if the President falling down stairs can be considered a coup. There is no possibility. The military institutions and the security organs are fully subordinated to the power of the government. There is no possibility of a coup. Anyone who speaks of a coup is an e..traterrestrial, a Martian, a poorly informed fellow, or one who acts in bad faith. The Argentine people have matured a great deal. In the past, in a crisis like this, or perhaps under another president....

[O ESTADO] Why are you saying that it would be different under another president?

[Menem] Because I have the support of practically the entire community, that is union, and business organizations. There is a joint effort supporting this government. This is not the result of the work carried out in the latest elections. It is the result of work carried out over many years. I covered the entire country like no other politician. I conveyed hope and awakened faith in the Argentine people. Some were disappointed, but this is logical and they are a minority.

[O ESTADO] You have criticized the lack of union support.

[Menem] I said that there are currently two kinds of unions in the country, the nostalgic ones who live with

the memory of the old Peronism, and the other, the workers movements who reject the Argentina of the past. This movement wants a dynamic and modern Argentina. I congratulate the union leaders who want a modern Argentina. I ask the others to adjust to a new reality.

[O ESTADO] As a way to improve its relations with the first world, Brazil has considered signing the Nuclear Arms Nonproliferation Treaty. Brazil and Argentina have always maintained a similar position in this field. Have you considered the possibility of changing your attitude about this treaty?

[Menem] Argentina plans to maintain its same policy, however, national and international policy is always fluid. The possibility cannot be discarded although we do not support the nonproliferation treaty.

Army Chief General Caceres Dies 20 March

PY2103152490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1510 GMT 21 Mar 90

[Text] Buenos Aires, 20 Mar (NA)—The Army has officially reported that Army Chief General Isidro Caceres died this morning. He was 55 years old.

General Caceres suffered a mortal heart attack caused by an aneurism in the aorta on the evening of 19 March.

Felix Bonnet Named New Army Chief of Staff

PY2103230890 Buenos aires TELAM in Spanish 2247 GMT 21 Mar 90

[Text] Buenos Aires, 21 March (NA)—President Carlos Menem has confirmed the appointment of Division General Felix Bonnet as Army chief of staff and Division General Martin Balza as Army deputy chief of staff.

Menem made this announcement upon leaving Government House for the Libertador Building to pay his last respects to General Isidro Caceres, whose body is lying in state there.

Tucuman Policemen Rebel, Remain Self-Confined

Demand Fellow Police Reinstatement

PY2003161190 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0200 GMT 20 Mar 90

[Text] Buenos Aires, 20 Mar (NA)—Today Tucuman Governor Jose Domato ruled out the possibility of intervention in the province following the self-confinement of some of the local police, adding that Interior Minister Julio Mera Figueroa "has made no mention whatsoever of this possibility."

The governor said: "Nothing has happened in Tucuman to indicate that something as important as the principle of authority has gone out of control."

Some 100 policemen remain self-confined at police headquarters demanding the reinstatement of 30 fellow policemen who were dismissed on 16 March.

In response to an order issued by Judge Juan Carlos Barrionuevo, the self-confined policemen last night released Provincial Police Chief Luis Bernal and Deputy Police Chief Roque Sobrecasas.

In statements over the radio, Domato said that during his 27-month-old administration he has listened to reports on intervention in the province approximately 15 times.

He stressed that "nothing can be as wrong as that," adding that during a meeting with Mera Figueroa yesterday, "we performed a comprehensive, thorough analysis of the situation in the province, not just the rebellion of a minor section of the provincial police, but the socioeconomic situation as well."

He said the report on federal intervention may have originated from a reference to the reinforcement of the Tucuman police by federal police.

He said federal intervention is a "legal measure to be enforced in very specific and serious cases, and nothing serious is happening in Tucuman."

He explained that "60 or 70 policemen have confined themselves to barracks, in addition to committing the serious crime of taking officials as hostages. The officials were released though, following a judge's order."

The demands of the rebels, in addition to the reinstatements, include the resignation of the police chief, of the deputy chief, and of Provincial Government Secretary Manuel Francisco.

For his part, Francisco confirmed the Tucuman Government's decision to dismiss 30 policemen, stressing that "the rebellion against the legal authorities will be punished in accordance with the penal code."

Even though Francisco noted that there were only 50 self-confined policemen, rebel sources have stressed that the number is much larger and that, upon conclusion of their duties, policemen of other sections are joining the rebels.

Minister Mera Figueroa last night said that "a state of siege can be declared " in the province and "even federal intervention, in support of the local authorities, to restore order."

President Says 'No Intervention'

PY2003163790 Buenos Aires TELAM in Spanish 1152 GMT 20 Mar 90

[Text] Buenos Aires, 20 Mar (TELAM)—President Carlos Menem today said that there "will be no intervention in" Tucuman because of the provincial police incidents. However, he promised that "those responsible will be severely punished."

In a statement to journalists at Government House this morning, Menem stated that the situation in Tucuman has been overcome. He added that those responsible for the incidents, that led to the taking of hostages, will receive "the punishment they deserve."

Incident Ends Peacefully

PY2003183390 Buenos Aires TELAM in Spanish 1735 GMT 20 Mar 90

[Text] San Miguel de Tucuman, 20 Mar (TELAM)—The policemen who have been self-confined to police headquarters since yesterday decided to leave the building peacefully today. Only the 30 policemen that the government fired for breach of discipline are still at police headquarters. It was explained that the policemen in question are remaining in the building "without hampering any service or task."

The decision to leave the building was made public by one of the fired policemen, Police Officer Ramon Eduardo Madrid. Madrid explained that "none of us wanted to upset the community," and asked the government and the people to help them get their jobs back.

The self-confined policemen who left the building returned to duty immediately. The acting governor, Senator Hugo Lazarte, had given the rebels until 1400 to leave police headquarters.

Economy Minister Sworn in as Central Bank Head

PY2003215890 Buenos Aires TELAM in Spanish 2118 GMT 20 Mar 90

[Text] Buenos Aires, 20 Mar (TELAM)—Economy Minister Antonio Erman Gonzalez was installed this afternoon as president of the Central Bank.

The installation ceremony, to which the press had no access, was held at 1800 today in the Central Bank.

Cavallo Sees Accord With USSR as Advantageous

PY2003153190 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2335 GMT 19 Mar 90

[Text] Buenos Aires, 19 Mar (NA)—This afternoon Foreign Minister Domingo Cavallo announced that the renegotiation of the fishing agreement with the Soviet Union was completed and that Argentina will double [as received] its profit from royalties paid on the catch, which last year amounted to $3 million.

Cavallo said they agreed to extend the contract "for another year but to charge the Soviets 12 percent instead of the three percent agreed upon previously."

In a statement to the media, after informing the president of the nation about the negotiations, Cavallo said that under this agreement the USSR "will have to buy from all Argentine enterprises offering fish through the open market as handled by the Fisheries Under Secretariat, not just from the enterprises they may choose.

Cavallo explained that under the previous agreement "Argentina received $2 to $3 million, while under the current agreement it will receive $6 to $7 million."

The minister noted that the renegotiation that has just concluded "is very advantageous to Argentine interests."

Regarding the possibility of similar agreements with other interested countries, Cavallo said: "It will only be feasible within the framework of a new fishing law that has to be discussed by Congress."

He added that the idea is, "in the first place, to satisfy the fishing needs of ships flying the Argentine flag, and that, if there is a surplus supply, other countries may receive temporary licenses if the law allows it."

Bolivia

Congress Condemns U.S. 'Invasion' of Panama

PY2003193390 Madrid EFE in Spanish 1950 GMT 19 Mar 90

[Text] La Paz, 19 Mar (EFE)— The Bolivian Congress today asked the fifth special assembly of the Latin American Parliament, which began here today, to issue "a categorical statement" demanding the withdrawal of U.S. troops from Panama, and the preservation of freedom and the restoration of democracy in that country.

This demand was made public by House Speaker Fernando Kieffer and Senate Speaker Gonzalo Valda, respectively, in their speeches at the inaugural session, which is being attended by some 50 delegates from Latin American countries. Bolivia has summoned the special assembly to debate the Panamanian conflict.

Kieffer said the Bolivian Congress "condemns the aggression and use of force against Panama's political independence, and disapproves of the invasion of this country by the world's largest power, which has subdued the suffering Panamanian people."

The Bolivian position was based on the principles of nonintervention and self-determination, and a list of the international treaty violations which the United States committed with the invasion of Panama on 20 December 1989.

However, despite the fact that the majority of the parliament seems to support the above position, Colombian Humberto Pelaez, the president of the Parliament, has led a more moderate trend. Pelaez sponsors the approval of a conciliatory resolution including the viewpoints of the official Panamanian delegation.

Elias Castillo, a member of the opposition Revolutionary Party (PRD) and a member of the Panamanian delegation, said that the assembly "should at least approve a firm resolution against the cruel invasion,

which has destroyed the moral and economic foundations and the political structures of the country, ignoring the Torrijos-Carter treaties, without any plans to compensate for the damage."

In its nine-year existence, the Parliament has never approved a resolution by a majority but rather on the basis of a consensus, Pelaez stressed.

Bolivian Senate speaker Gonzalo Valda said that "the Bolivian proposal to condemn the U.S. invasion is firm and uncompromising."

"This assembly should tell the Panamanian people that they are not alone at this hour of suffering," he added.

Jorge Isac, vice president of the Panamanian People's Assembly, who is now in exile and has questioned the legitimacy of the Panamanian delegation, said his people will accept the Latin American Parliament's support only if the Parliament respects the principle of sovereignty, which has been violated by a bloody intervention during which 8,000 Panamanians died and 10,000 others were injured.

Gisela Chung, of the Panamanian delegation, said that if the Parliament condemns the invasion of Panama it should recognize that the Endara Government is legitimate and democratic.

In addition to the Panamanian issue, on 19 and 20 March the fifth Latin American Parliament special assembly will analyze the following issues: drug trafficking, the Haitian political situation, sovereignty on the continent, and the Bolivian demand for a sea outlet.

Aeronautics Minister on Military's Antidrug Role

PY2203033890 La Paz La Red Panamericana in Spanish 0000 GMT 22 Mar 90

[Text] According to Aeronautics Minister Luis Gonzalez Quintanilla, the struggle against drug trafficking requires the participation of all national institutions, and, therefore, the Armed Forces have a role to play. The Armed Forces are fully capable, from a technical, operational, and moral viewpoint, of successfully carrying out a campaign against drug trafficking, Gonzalez Quintanilla emphasized.

Nevertheless, Gonzalez Quintanilla indicated that it is the president of the Republic, Jaime Paz Zamora, who will make a final decision on the future participation of the Armed Forces in the eradication of this evil.

Information Ministry Under Secretary Resigns

PY2003185490 La Paz La Red Panamericana in Spanish 1130 GMT 20 Mar 90

[Text] Official sources have informed La Red Panamericana that the Information Ministry under secretary has tendered his irrevocable resignation for personal reasons. There have been no reports about any disagreements among Information Ministry officials. Information Under Secretary Jose Manuel Loza, who took office when Jaime Paz Zamora assumed the presidency, had been working under Information Minister Manfredo Kempff.

Foreign Ministry Announces New Consul to Chile

PY2003164590 La Paz La Red Panamericana in Spanish 1130 GMT 20 Mar 90

[From poor reception]

[Text] Foreign Ministry sources have informed La Red Panamericana that (Alberto Zelada Castello) has been appointed as the new Bolivian Consul to Chile. (Zelada Castello) will travel to Chile in about 15 days.

Although Chile and Bolivia do not maintain diplomatic relations as a result of the maritime issue, the two countries maintain consular ties. The two countries have opened consular offices in La Paz and Santiago. The Bolivian and Chilean consular offices are in charge of bilateral tourist and trade ties.

Brazil

Collor Names Top Advisers, 'New Power Figures'

PY2103180290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Mar 90 p 10

[Report by David Renault and Pamela Nunes]

[Text] Brasilia—The Planalto Palace centers of power have been relocated with members in the new government. Power now centers around the main presidential advisers who can decide when to open or close doors leading to the president. Recent history shows that members of this small circle actually hold much more power than is apparent by their positions in the structure of government. The new power figures in the Collor administration are as follows:

Ambassador Marcos Coimbra—presidential secretary general who exercises the powers of the abolished civil household. He is married to Leda Collor, sister of the president. Coimbra left Brazil's embassy in Athens at the beginning of the presidential campaign. He is one of the persons closest to the president. Collor considers him his most important adviser.

Ana Acyoli—the president's personal secretary since 1979 when Collor took over as prefect of Maceio. She knows the president's habits very well. She is discreet and she does not like parties or commemorations. Her strategic function is to open the presidential agenda or telephone to others. One of her very few indiscreet remarks about Collor is: He gets very annoyed when an order is not promptly carried out.

Claudio Humberto Rosa e Silva—presidential social communications coordinator and Collor's spokesman. He exercised the same position during Collor's administration in Alagoas and during the presidential campaign. His job requires that he be one of the best informed persons in the presidential circle. He also serves as adviser on other matters. He is part of a group also known as "the China gang" that includes Deputy Cleto Falcao, Deputy Renan Calheiros, and Pedro Paulo Leone Ramos, also a Collor secretary. The group was responsible for launching the presidential campaign.

Claudio Vieira—Collor's new private secretary. He was cabinet chief during Collor's administration in Alagoas and took care of the purse during the presidential campaign together with Paulo Cesar Farias. He is an expert at pushing undesirable people who try to speak with the president out of the way.

Dario Cesar Cavalcanti—accompanies the president wherever he goes, in Brazil or abroad. He is another private secretary who is mainly in charge of Collor's personal security, a function he also performed in Alagoas.

Pedro Paulo Leone Ramos—the newest addition to the group of Collor's personal advisers. He will be 30 on 22 March. Dozens of meetings were held in his house, at Lago Sul in Brasilia, to obtain support for candidate Fernando Collor of whom he has been a friend for many years. He is the man responsible for killing the SNI [National Intelligence Service] and the creation of the Strategic Affairs Secretariat, among other things. He is responsible for the government's intelligence service and for polemical projects such as the Calha Norte Project. [establishing a security zone along northern borders].

Provisional Measure 151, Dissolving Enterprises

PY2203015090 Rio de Janeiro O GLOBO in Portuguese 17 Mar 90 p 24

["Text" of government's Provisional Measure 151, issued in Brasilia on 15 March]

[Text] This measure regulates the dismantling and dissolution of organizations of the Federal Public Administration and makes other provisions.

The president of the Republic, exercising the authority vested in him by Article 62 of the Constitution, adopts the following provisonal measure, which is binding as law:

Article 1. The following organizations of the Federal Public Administration are hereby abolished or dissolved, each according to its case:

I. self-supported organizations:
a. Superintendency of the Central-West Development Region, Sudeco;
b. Superintendency of the South Development Region, Sudesul;
c. National Department of Reclamation Projects, DNOS;
d. Sugar and Alcohol Institute, IAA;
e. Brazilian Coffee Institute, IBC;

II. foundations:
a. National Art Foundation, Funarte;
b. National Theater Foundation, Fundacen;
c. Brazilian Cinematography Foundation, FCB;
d. Palmares Cultural Foundation, FCP;
e. National Pro-Memorial Foundation, Pro-Memoria;
f. National Pro-Reading Foundation, Pro-Leitura;
g. National Foundation for Adult and Youth Education, Educar;
h. Coffee Museum Foundation;

III. public enterprises:
a. Brazilian Ports Enterprise, Portobras;
b. Brazilian Urban Transportation Company, EBTU;
c. Brazilian Rural Extension and Technical Assistance Enterprise, Embrater;

IV. mixed economy enterprises:
a. Auxiliary Company of Brazilian Electric Enterprises, CAEEB;
b. National Bank of Cooperative Credit, Incorporated, BNCC;
c. Petrobras International Trade, Incorporated, Interbras;
d. Petrobras Mining, Incorporated, Petromisa;
e. Brazilian Iron and Steel, Incorporated, Siderbras;
f. Brazilian Film Company, Embrafilme;
g. Brazilian Industrial Projects Company, Cobrapi;
h. Brazilian Financial Infrastructure Company, Infaz.

Article 2. The executive branch is hereby authorized to create the following self-supported federal organizations:

I. National Institute of Cultural Activities, INAC. The jurisdiction, assets, revenues, budget allocations, duties, and rights of the foundations referred to in Sections "a" to "d" of Item II of Article 1 shall be transferred to the INAC.

II. Institute of National Artistic and Historical Heritage, IPHAN. The jurisdiction, assets, revenues, and budget allocations of the Secretariat of National Artistic and Historical Heritage, SPHAN, and of the foundations referred to in sections "e" and "f" of Item II of Article 1 shall be transferred to the IPHAN.

Paragraph 1. The agencies to which this Article refers shall be directed by directorates made up of a president and up to four directors, all of them named by the president of the Republic, who through a decree shall establish the respective structures, jurisdiction, and personnel needs.

Paragraph 2. The services rendered by the self-supported organizations referred to in this Article shall be remunerated on the basis of the price and income lists approved by their respective directorates.

Article 3. The Brazilian Center of Support for Small and Medium-size Enterprises, CEBRAE, shall no longer be under federal jurisdiction. The CEBRAE shall be regulated exclusively by the terms of Article 1363 and subsequent articles of the Civil Code.

Single Paragraph. The programs being implemented by CEBRAE with federal funds shall be implemented by the National Secretariat of Economy of the Ministry of Economy, Finance, and Planning.

Article 4. The real estate owned by the self-supported organizations referred to in Item I and by the foundations referred to in Sections "g" and "h" of Item II of Article 1 shall be transferred to the federal administration. This transfer shall be accomplished through documents drawn up following Item VI of Article 13 of Decree-Law 147, dated 3 February 1967. The text of the documents shall be copied from Article 10 of Law 5421, dated 25 April 1988.

Paragraph 1. The movables, material, and equipment owned by the agencies mentioned in this article shall be transferred to the federal administration and, after being inventoried, shall be placed under the jurisdiction of the Federal Administration Secretariat, which shall promote the redistribution of such movables, material, and equipment to other organs of the federal administration.

2. The Federal Administration Secretariat may also auction the real estate that is not needed by the Federal Public Service, or it may transfer it, with or without taxation, to the states, to the Federal District, to municipal districts, or to legally recognized, nonprofit educational and social assistance institutions.

Article 5. The name of the Brazilian Educational Television Center Foundation, Funteve, is hereby changed to the Roquette Pinto Foundation. The assets, jurisdiction, and the budget allocations of the National Institute for Educational Studies and Research, INEP, are hereby transferred to the Roquette Pinto Foundation.

Article 6. The movables and immovables, the jurisdiction, and the budget allocations of the School of Financial Administration, ESAF, shall be transferred to the Public Servant Training Center Foundation, whose name is hereby changed to National Public Administration School Foundation, FENAP.

Article 7. The jurisdiction, assets, and budget allocations of the Superintendency for Public Health Campaigns, SUCAM are hereby transferred to the Public Health Service Foundation, whose name is hereby changed to National Health Foundation, FNS.

Single paragraph. The National Health Foundation may hire employees, in keeping with labor regulations and for a specific period of time, for meeting exceptional and temporary needs to fight epidemics and endemic diseases, subject to Federal Administration Secretariat authorization.

Article 8. The text of Article 190 of Decree-Law 200, dated 25 February 1967, is hereby replaced by the following text:

"Article 190. The executive branch is hereby authorized to create the Institute of Applied Economic Research, IPEA, which shall have the structure of a foundation. The objectives of the IPEA shall be to help the Minister of Economy, Finance, and Planning design and control the economic policy, and to promote applied economic research in the fiscal, financial, and foreign areas and in sectorial development.

"Single paragraph. The IPEA shall be subordinate to the Ministry of Economy, Finance, and Planning."

Article 9. The name of the National Minors Well-being Foundation, which was created by Law 4513, dated 1 December 1964, is hereby replaced by Brazilian Infancy and Adolescence Center Foundation.

Single paragraph. The objectives of the Brazilian Infancy and Adolescence Center Foundation are to design, standardize, and coordinate the policy to preserve the rights of children and adolescents, and to provide technical assistance to the organs and agencies that implement such policy.

Article 10. The executive branch is hereby authorized to create the National Social Security Institute, INSS, as a federal self-supported organization, by merging the Institute for the Administration of Social Assistance and Welfare, IAPAS, and the National Institute of Social Security, INPS, in keeping with the terms of Paragraph 1 of Article 2 of this provisional measure.

Single paragraph. The INSS shall have up to seven regional superintendencies, whose locations shall be established by decree, following the division of the national territory into the economic macro-regions which the Brazilian Institute of Geography and Statistics, IBGE, has established for statistical purposes. Regional superintendencies shall be headed by superintendents designated by the president of the Republic.

Article 11. The executive branch is hereby authorized to convert the Medicine Center, which is a self-supported organization of the Health Ministry, into a state-run company.

Paragraph 1. The initial capital of the company referred to in this article, which shall be owned exclusively by the federal administration, shall consist of the material and budget allocations currently assigned to the Medicine Center.

Paragraph 2. The terms of Paragraph 1 of Article 2 of this provisional measure shall apply to the state-run Medicine Center.

Paragraph 3. The Health Minister shall adopt the necessary measures for the creation of the state-run Medicine Center, in keeping with applicable regulations.

Paragraph 4. The employees of the current Medicine Center may choose to be transferred to the state-run Medicine Center within 30 days after the creation of this state-run company. In case the employees do not choose this option, the terms of Article 28 of Provisional Measure 150, dated 15 March 1990, shall apply.

Article 12. The executive branch is hereby authorized to promote the following:

I. through the Brazilian Telecommunications, Incorporated, Telebras, the merger of the telecommunications enterprises belonging to that corporation, so that the number of current enterprises of the sector may be reduced to seven regional enterprises, with due respect for the terms of the single paragraph of Article 10;

II. the merger of the Production Financing Company, the Brazilian Food Company, and the Brazilian Storage Company into the National Supply Company.

Article 13. The executive branch is hereby authorized to donate to states and municipal districts, without imposing any taxes on them, the federal government's shares of the following enterprises: Sao Francisco Navigation Company, Amazonia Navigation Company, Incorporated, River Plate Basin Navigation Service, Incorporated, Brazilian Urban Train Company, and Porto Alegre Urban Train Enterprise Incorporated.

Article 14. The Port Tariff Surcharge, ATP (Law 7700, dated 21 December 1988) as of now shall be collected as a federal revenue, in keeping with Article 1 of Decree-Law No 1755, dated 7 December 1979. The National Secretariat of Transportation of the Ministry of Infrastructure shall invest ATP revenues in keeping with the guidelines proposed by the Government Council and ordered by the president of the Republic.

Article 15. In case of the dissolution of mixed companies or state-run companies that operate as corporations, the liquidation shall be effected in keeping with the terms of Articles 208 and 210- 218 of Law 6404, dated 15 December 1976, and in keeping with the respective company charters.

Paragraph 1. The National Financial Attorney General's office shall call for a general stockholders' meeting within eight days after the issuance of the decree dissolving a company. The general stockholders' meeting shall:

a. Designate the liquidator, who shall be an employee on the payroll of the federal administration, of self-supported organizations, or of state-run foundations and who shall be named by the Federal Administration Secretariat. The liquidator shall earn a remuneration equivalent to that of the company president. The liquidator may confirm the labor contracts of the personnel of the liquidated company who are strictly necessary for the liquidation. The labor contracts of the rest of the personnel shall be canceled and their compensation shall be immediately discontinued.

b. Terminate the terms and powers of the president, the directors, and the members of the company's administration council and fiscal council, without precluding their responsibility for performance and supervision.

c. Designate the members of the fiscal council that shall operate during the liquidation. One of the members of the fiscal council shall be a representative of the National Treasury.

d. Set a deadline for the liquidation.

Paragraph 2. In addition to discharging his own duties, the liquidator shall supervise the budget and the financial situation of the company, in keeping with the terms of Law 6223, dated 14 July 1975, that was amended by Law 6252, dated 11 April 1978.

Paragraph 3. For the purposes mentioned in Paragraph 2, the liquidator shall be helped by the Internal Control Secretariat of the Ministry of Economy, Finance, and Planning.

Paragraph 4. The terms of this article shall be enforced, as applicable, to liquidate state-run companies that operate within other legal frames.

Article 16. The rights and obligations that the foundations described in Article 2 have acquired under law, through administrative action, or by virtue of contracts, including financial obligations, shall be transferred to the self-supported organizations mentioned in Article 2. The terms of Article 21 shall apply to personnel with job security.

Article 17. The rights and obligations that the liquidated companies have acquired under law, through administrative action, or by virtue of contracts, and their financial obligations—except for labor or social security obligations—shall be transferred to the federal government.

Single paragraph. Through a decree, the executive branch shall decide on the implementation of the existing contracts signed by the organizations that are mentioned in this article. The executive branch may, for the sake of public interest, cancel or suspend such contracts.

Article 18. The National Financial Attorney General's Office shall adopt the necessary provisions for the issuance of addenda, so that the contracts signed by that office may conform to the laws that regulate the contracts in which the federal government is a party.

Single paragraph. Addenda to foreign credit contracts shall necessarily include a clause invalidating the jurisdiction of foreign courts. Addenda will allow for arbitration or for the intervention of Brazilian courts only in case of doubts or controversy, in keeping with the terms of Article 11 of Decree-Law 1312, dated 15 February 1974.

Article 19. The president shall transfer the jurisdiction of the former Sugar and Alcohol Institute, IAA, to federal organs and agencies.

Article 20. All types of debts that the organizations to be dissolved or abolished under the terms of this provisional measure owe to the National Treasury shall be canceled.

Article 21. Personnel with job security in the self-supporting organizations and foundations that have been abolished under the terms of this provisional measure shall be placed on reassignment staff, in keeping with the terms of Paragraphs 1 and 3 of Article 28 of Provisional Measure 150, dated 15 March 1990.

Single Paragraph. The terms of Article 28 of Provisional Measure 150, dated 15 March 1990, shall apply to the personnel in excess of the number of employees set for the National Institute of Cultural Activities, INAC (Article 2, I), Institute of National Artistic and Historical Heritage, IPHAN (Article 2, II), Roquette Pinto Foundation (Article 5), National Public Administration School Foundation, FENAP (Article 6), National Social Security Institute, INSS (Article 8), and the National Supply Company (Article 9, II).

Article 22. The executive branch shall adjust the statutes of the National Institute for Social and Economic Planning, IPEA, and those of the National Child Welfare Foundation, Funabem, to the modifications introduced by Articles 8 and 9, which shall be registered with the Civil Registry of Corporations.

Article 23. The Council of Government shall propose a National Program of Support for Small and Medium-sized Enterprises, and a National Literacy Campaign, which will be submitted to Congress.

Article 24. This provisional measure shall go into force on the date of its publication.

Article 25. Decree-Law 2421, dated 29 March 1988; Article 242 of Law 6404, dated 15 September 1976; Article 5 of Law 4513, dated 1 December 1964; and all other regulations that contradict the terms of this provisional measure are hereby repealed.

Brasilia, Federal District, 15 March 1990; 169th year of independence and 102d year of the Republic.

Fernando Collor

Bernardo Cabral

Provisional Measure 152, On Welfare Enterprises

PY2103192390 Rio de Janeiro O GLOBO in Portuguese 17 Mar 90 p 24

["Text" of Provisional Measure No. 152, issued in Brasilia on 15 March]

[Text] The measure determines the relationship between the exclusive [fechadas] private social welfare enterprises and their sponsors at the federal public administration level:

The President of the Republic, by the authority vested in him by Article 62 of the Constitution, adopts the following Provisional Measures which are binding as law:

Article 1. For the purpose of this Provisional Measure it is hereby established:
I - Sponsors: autonomous enterprises, foundations, public enterprises, mixed economy enterprises, and other enterprises directly or indirectly controlled by the federal government;
II - Enterprises: the exclusive private social welfare enterprises that are sponsored by the corporations listed in the above clause.

Article 2. The sponsors are hereby banned from exercising the authority provided for in Paragraph 3, Article 42, of Law No. 6435 dated 15 July 1972.

Single Paragraph - The sponsor's contribution percentage will be calculated on the volume of salaries of those who participate in the respective welfare plan.

Article 3. The surplus determined by the exclusive private social welfare enterprises will be held in a contingency reserve fund. This fund will have a limit of 25 percent of the total mathematical value.

Single Paragraph - The surplus will be used to reduce the sponsors and beneficiaries' contributions, proportional to their contributions.

Article 4. The exclusive private social welfare enterprises have until 30 June 1990 to inform the National Private Social Welfare Secretariat of undeclared assets or unexplained deficits (eventuais deficiencais patrimoniais ou atuariais) on their 1989 balance sheet.

Single Paragraph - The executive body of the Complementary Social Welfare National Secretariat will order the drawing up of a new cost plan or will order the necessary adjustments to the benefits plan in the case of deficits as specified above.

Article 5. The exclusive private social welfare enterprises have until 30 December 1990 to hire private experts or legally authorized enterprises to revaluate their assets.

Article 6. The sponsors will only be responsible for the contributions provided for on the costs plan and not for any costs referring to the operation or functioning of the exclusive private social welfare enterprises.

Single Paragraph - Violation of this article will be punished through civil, administrative, or legal actions.

Article 7. The exclusive private social welfare enterprises' administrative and operational expenditures may not exceed 15 percent of the income obtained from contributions.

Article 8. This Provisional Measure will be implemented as of the day of its publication.

Article 9. All contradictory measures are hereby repealed.

Brasilia, Federal District, 15 March 1990; 169th year of the independence and 102d year of the Republic.

Fernando Collor

Bernardo Cabral

Possible Effects of 'New Brazil' Plan Outlined

PY2203031690 Madrid EFE in Spanish 2336 GMT 21 Mar 90

[Text] Brasilia, 21 Mar (EFE)—Following the initial surprise caused by President Fernando Collor de Mello's harsh measures aimed at stabilizing the economy, especially the freeze on bank deposits, it is now feared that there will be an economic recession and unemployment in Brazil.

Today President Collor held an unscheduled meeting with his ministers, and then he met with leaders of parties supporting the government in Congress. These leaders want to introduce some changes to the economic plan, which the president has decided to call "New Brazil," especially concerning those measures affecting the have-nots. One change to be requested is the lifting of the ceiling on withdrawals from savings accounts, which currently stands at 50,000 cruzados (around $1,200).

Economy Minister Zelia Cardoso de Mello will also meet with representatives of Brazilian banks, a sector in which some conflicts have arisen and which is charged, by some, with sabotaging the economic plan. Commenting on the problems concerning the withdrawal of funds within the established limits, Cardoso said on 20 March that "we cannot let the banks hurt the people." Romeu Tuma, chief of the Federal Police and head of the Federal Revenue Secretariat, will also attend this meeting.

President Collor has asked Tuma to do some special errands. Yesterday, Tuma went to Sao Paulo to discuss, with a local computer firm, the dismissal of 140 employees. Later, Tuma reported that the company "had decided to revoke the dismissals in order to cooperate with the plan."

Last night, President Collor discussed this matter and warned that the Internal Revenue Secretariat will carefully investigate the records of those enterprises ordering mass dismissals.

The president has said that some of the economic measures affect only 10 percent of the Brazilian people; that is, those having the highest income. Yet, an economic paralysis will primarily affect the poorer sectors of the people, most of whom voted for Collor de Mello. For different reasons, this problem could make businessmen and union leaders join ranks against the economic measures.

The "New Brazil" plan has caused such a lack of liquidity that sales have dropped drastically. In Sao Paulo, sales at supermarkets declined by 50 percent two day ago. A virtual paralysis has taken hold of other areas, such as tourism and foreign trips, as shown by the cancellation of flights between Rio de Janeiro, Sao Paulo, and Brasilia.

On 20 March, the Sao Paulo Stock Exchange experienced a 20.9-percent drop, the largest one in its history, which shows that Collor's restructuring plan has had a more devastating effect than that of Black Monday of Wall Street in October 1987, when stocks dropped 16.1 percent. This situation has raised fears that stock exchange companies may start firing their agents. The picture does not seem to be much more promising for either import or export companies. With the dollar rate standing at around 40 cruzeiros, Brazilian products are currently very expensive and the lack of liquidity is adversely affecting imports.

The "New Brazil" plan still must obtain the approval of Congress. The government expects to obtain this approval before 15 April with as few changes as possible. Among the opponents of the economic program are the leftist parties, especially the two main ones, the Workers Party and the Democratic Worker's Party.

The plan has created a wide range of positions in center, center-right, and right sectors, but observers believe that with a few minor changes, the government will get approval for its plan.

The people's main concern is the possibility of an economic recession and an ensuing paralysis. Deputy Delfim Neto, a former minister, does not hesitate in noting, however, that no one should be happy if there is no recession because this would "indicate that the plan has failed."

A study conducted by the Sao Paulo State Federation of Industries (FIESP) shows that if the "New Brazil" plan fails, hyperinflation and its tragic consequences will immediately follow.

Alagoas, Bahia Governors Lend Support

PY2203011590 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Mar 90

[Text] Alagoas Governor Moacir Andrade and Bahia Governor Nilo Coelho have praised the government's economic measures and have guaranteed the support of their respective blocs. The two governors were received at Planalto Palace by President Fernando Collor de Mello.

Andrade said that the president will only consider changes in the economic plan after it has been installed for 100 days.

[Begin Andrade recording, in progress] ... if the plan is successful. If it achieves results, then it will have to be changed. This could take place after 100 days, 120 days, or 150 days at the most. By then the country's economic situation will be balanced. Why then should this plan be maintained? I think that it will be the time to [word indistinct] enterprises, individuals, corporations, in sum, everyone.[end recording]

Moacir Andrade approves a fiscal [word indistinct] for enterprises, prompting mass dismissals.

Nilo Coelho said that everyone must support the economic plan which is designed to put an end to inflation and, therefore, to promote social justice. He believes that the president may gradually make the necessary corrections.

All National Health Ministry Officials Dismissed

PY2103221690 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Mar 90

[Text] Health Minister Alceni Guerra has dismissed all the INAMPS [National Institute for Social Security Medical Assistance] hospital directors and the directors of medical care stations in the entire country. Health Ministry directors were also dismissed.

In the future, directors will be trained and tested on administering public hospitals. Minister Alceni Guerra said that those who do not pass the test will be removed.

[Begin Guerra recording] I know that perhaps some of these directors are suffering an injustice. The system in general, however, was highly ineffective, and we dismissed all of them, without exception, in order to begin anew.

The dismissals were made this week; next week, under new criteria, new directors will be selected. Afterwards, there will be a period of training for them in Brasilia on outlining objectives, organization and methods, training of human resources, public relations, and modernization of workplaces for the public's attention.

At the end of this period, there will be a test. Those who pass it will be appointed directors. Those who do not pass it will be replaced by another person whom we call for training. [end recording]

The minister added that these measures are part of the ministry's administrative reform, which includes the dismissal of 60 percent of the specialized personnel and a nationwide training program for all personnel in organization and methods, training of human resources, and outlining objectives.

Post of Government Speaker in Senate Recreated

PY2103235390 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Mar 90

[Report by Lourival Macedo from Brasilia]

[Text] The federal Senate has approved a change in its internal regulations and has reestablished the post of government speaker in the Senate.

The government speaker will be PSDB [Brazilian Social Democratic Party] Senator Jose Inacio Ferreira from Espirito Santo State. Ferreira was appointed by President Fernando Collor.

PSDB Senator Jarbas Passarinho, from Para State, believes that the reinstatement of a government speaker, instead of a majority leader, represents a resurgence of the figure of a representative who speaks in the name of the government.

[Begin Passarinho recording] The change in the regulations creates the figure of the government speaker, but it does not abolish those two figures who, in my opinion, are completely artificial under a presidential system: They are the majority leader and the minority leader. However, at least it permits the presence of a government representative who speaks for the government. We saw this throughout the entire Sarney administration. And, who speaks for the government ....[end recording, in progress]

With this change in the regulations, in addition to the government speaker, the federal Senate will also have the leaders of the party blocs.

Senator Ronan Tito will remain as leader of the PMDB [Brazilian Democratic Mobilization Party] bloc, Senator Roberto Campos will be the leader of the PDS [Social Democratic Party] bloc, Senator Marco Maciel will be the leader of the PFL [Liberal Front Party] bloc, and Senator Fernando Henrique Cardoso will be the leader of the PSDB bloc.

Nicaraguan President Ortega Discusses Future

PY2103151890 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Mar 90 p A9

["Excerpts" of Nicaraguan President Daniel Ortega interview with FOLHA correspondents Fernando Rodrigues and Nelson de Sa in Brasilia on 16 March]

[Text] [FOLHA] After 25 April, the Sandinist Front will continue as a non-government party. How will the Front act?

[Ortega] We will be an organized party, and will work with the popular forces to act as a constructive opposition.

[FOLHA] Can you describe what that constructive opposition will be like?

[Ortega] We will work for the popular interest; for the national interest. For instance, if she [President-elect Violeta de Chamorro] launches a program to generate employment, we will be in favor. If it causes unemployment, we will not support it. Opposition will be expressed in the Assembly and through mobilization of the people, with demonstrations and strikes.

[FOLHA] Is a general strike against the government a possible form of protest?

[Ortega] I will not anticipate that answer now. I prefer to wait and see what will happen. But it is a course made available by democracy. It is a right workers have, in Nicaragua, to defend popular interests.

[FOLHA] In case President Violeta Chamorro takes drastic economic measures of a capitalist nature, thereby provoking popular protest, will the Army side with the President or with the people?

[Ortega] That will depend; the national interest comes first, above the interest of the party.

[FOLHA] Suppose the Sandinist Front considers a workers' protest in the name of the national interest.

[Ortega] If the workers' protest is in defense of the national interest, the Sandinist Front will support it. Otherwise, we will be against it.

[FOLHA] Are you affirming that the Army can also join the popular protests?

[Ortega] If the future government makes decisions we consider to be reasonable, we will support them. But if we do not consider the measures reasonable, we will protest.

[FOLHA] Do you then dismiss a coup?

[Ortega] There cannot be a coup. We want the country to stabilize.

[FOLHA] According to U.S. Vice President Dan Quayle, the contras do not lay down their arms because they do not feel secure returning to Nicaragua while the Sandinist Army is there. How do you intend to resolve that problem?

[Ortega] That is not correct. It is just a pretext of the contras not to surrender their arms. There are thousands of contras who were set free in Nicaragua. There are no more prisoners of that kind in the country.

[FOLHA] To facilitate the end of the deadlock, could the current government, for instance, not change the name of the country's Army, removing the word Sandinist? In other words, could it not publicly declar that the country's Army owes obedience only to the President?

[Ortega] That is not the problem. Sandino is a name the whole country is proud of. The Army provides security for the entire population.

[FOLHA] What is the size of the Sandinist Army?

[Ortega] We have 55,000 men in active service, and a reserve of 25,000 men who can be called for duty at any time.

[FOLHA] Do you not believe that number could be reduced?

[Ortega] At a meeting in Managua later this month, the Central American Presidents will discuss the reduction of armies in the region.

[FOLHA] In the case of Nicaragua, by how much do you believe the Army can be reduced?

[Ortega] I prefer not to say.

[FOLHA] Would you agree to a significant reduction of personnel, say 50 percent?

[Ortega] I do not want to talk of percentages. There must be a reduction. But it should also consider that the Army is a form of employment. It would be dangerous to discharge too many people at one time.

[FOLHA] What was the direct impact of the war on the economy?

[Ortega] Since 1979, the direct and indirect impact of the war on the economy has been estimated at $17 billion. We are asking at the International Court of Justice, which has already condemned the United States for the war, that the United States indemnify Nicaragua.

[FOLHA] What are the highlights of Nicaragua's current macroeconomic situation?

[Ortega] In 1988, the inflation rate totalled 33,600 percent. We implemented an economic adjustment program which can be described as an IMF program. But we have been quite flexible in its implementation. We continued investing in the social sector. In 1989, inflation decreased 1,687 percent, it decreased 20 times. The foreign debt totals $11 billion. Our main creditor is Mexico which we owe $800 million. We pay almost nothing. We only renegotiated credits. Exports total approximately $300 million, and coffee exports represent 40 percent of our total exports. We import $900 million per year. This means that our deficit totals $600 million.

[FOLHA] To what extent does the state participate in the Nicaraguan economy?

[Ortega] Only 14 percent. Over 50 percent of the economy is in the hands of the private sector. The remainder is controlled by the mixed economic sector or cooperatives.

[FOLHA] In what area of the economy is this 14 percent invested?

[Ortega] In the agricultural sector.

[FOLHA] Do you believe there may be a decrease in this participation? Do you believe the state may decrease even further its presence in the economy?

[Ortega] There are over 70,000 rural workers who work for the government. They have fulfilled their duties well and they are not willing to privatize the sector.

[FOLHA] Do you believe that Nicaragua will have greater access to foreign loans and a better chance to lower the trade deficit after President Violeta Chamorro takes office?

[Ortega] I believe so.

[FOLHA] Do you believe the current reforms in East Europe are a shift to a free market system or is it simply an effort to perfect socialism?

[Ortega] We still have to see what happens. In Poland, for example, the workers are disappointed with the Solidarity government that is in power. I believe that what is happening in East Europe is the result of a lack of vision by the parties that were in power. They thought everything was fine. They did not bother with self-criticism.

[FOLHA] Was the defeat of the Sandinist National Liberation Front [FSLN] in the presidential elections a popular protest similar to what occurred in socialist European countries?

[Ortega] It is not the same thing. We have upheld a pluralist model, a mixed economy, since 1979 when there was no perestroyka.

[FOLHA] You have stated that your party will request membership in the Socialist International which follows a social democratic trend. What political model does the FSLN uphold, the Cuban or the Swedish?

[Ortega] We want to do something similar to the Cuban model. But recently we were closer to the Swedish model. But this is not something mechanical.

[FOLHA] What was the main mistake that caused the defeat of the FSLN in the elections?

[Ortega] The election was not lost because of any mistakes on the part of the administration. The determinant factor was that the people could not make a free choice because the Americans were constantly influencing them.

[FOLHA] What are you going to do after you leave the Nicaraguan presidency?

[Ortega] I am a militant. I will work with the grassroots, with the people.

[FOLHA] Will you run in the elections scheduled in six years?

[Ortega] It is the people who have to decide this.

PT Leader Hosts Castro During Visit

PY2103160290 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Mar 90 p 4

[Text] Federal Deputy Luis Inacio Lula da Silva (PT) [Workers Party] defended the realization of elections in Cuba after meeting with Cuban President Fidel Castro at his house in Sao Bernardo do Campo, Greater Sao Paulo. Lula received Castro at a luncheon with several PT leaders, but said he did not have any time to talk with the Cuban leader about elections.

Two eggs were thrown in front of Lula's house after Castro's arrival. The security guards failed to identify the demonstrators. Approximately 100 people remained in front of his house and applauded Lula and Castro when both appeared on the balcony. Castro said he enjoyed the chicken and the Italian porridge served at lunch. He said he had not eaten well for four days. In the morning he met with Sao Paulo Mayor Luiza Erundina. In the afternoon, he met with members of the PT, PSB [Brazilian Social Party], PSDB [Brazilian Social Democratic Party], PDT [Democratic Labor Party], and PC do B [Communist Party of Brazil], at Anhembi, in northern Sao Paulo.

On the afternoon of 17 March, he spoke to 1,200 representatives of the Ecclesiastic Base Communities (CEBs) at Anhembi, and said that if the Cuban church had members similar to those in Brazil "they would be members of the communist party." Fidel will return to Cuba.

Chile

Terrorist Attack Seriously Injures General Leigh

FPMR Claims Responsibility

PY2103184690 Santiago Radio Chilena Network in Spanish 1700 GMT 21 Mar 90

[Text] Two individuals shot former government junta member Gustavo Leigh Guzman at point blank range this morning. General Leigh was attacked at his office at Barrio Alto. His condition is very serious. He was hit five times during the attack at around 1100 this morning. Gen. Gustavo Leigh is being treated at the Military Hospital.

Interior Minister Enrique Krauss, legislators, church officials and other authorities visited the hospital to check on Leigh's condition.

President Patricio Aylwin suspended all audiences as a consequence of the savage attack. Minister Secretary of Government Enrique Correa said the attack was tremendously regrettable and condemnable.

Interior Under Secretary Velisario Velazco said the group responsible for the attack will be sentenced with maximum severity. Catholic Church authorities, legislators from all party blocs, businessmen, entrepreneurs,

workers, and the public in general condemned the attack terming it a shock against the democratic process.

Doctor Francisco Alaman said former Air Force Commander Leigh is for the time being out of immediate danger of death. The other general wounded in the attack, retired General Enrique Ruiz, was hit by three bullets and is being treated at the Air Force Hospital.

So far the Military Hospital has not released any official report on Leigh's condition. The Manuel Rodriguez Patriotic Front [FPMR], autonomous faction, has claimed responsibility for the attack.

Further Details on Attack

PY2103203790 Santiago Radio Chilena Network in Spanish 1700 GMT 21 Mar 90

[Excerpts] General Gustavo Leigh Guzman, a former military regime government junta member and former commander in chief of the Air Force, and Air Force General Enrique Ruiz, retired, a partner in Leigh's real estate office, were seriously injured during an attack this morning.

According to witnesses' reports, two 23-25 year-old individuals walked into Gen. Leigh's office, on the fourth floor of the building located at 95 Luis Talle Ojeda Street. [passage omitted]

Witnesses said they heard two bursts of gunfire: one burst of three shots lasting three seconds and another burst of seven to eight shots lasting longer. Gen. Leigh's secretary, Joanna Santis Retamal, came to a window to report the incident.

Other reports said that the two individuals broke into the offices and entered Gen. Leigh's private office. [passage omitted]

The individuals used 9mm semiautomatic pistols. According to the experts, Gen. Ruiz was hit three times and Gen Gustavo Leigh was hit five times. The bullets hit Gen. Leigh in his eye, nose, right arm, right leg, and stomach.

The two attackers then walked down the stairs and escaped toward Providencia. [passage omitted]

The government has expressed its strong condemnation of the attack on Gen. Gustavo Leigh, the former commander in chief of the Air Force and member of the military regime's government junta. On his way to the hospital on express orders of the president, Interior Minister Enrique Krauss rejected the attack:

[Begin Krauss recording] We have asked the police authorities to fully clarify this incident. These attitudes and acts do not help in the effort required to reunite all Chileans. [end recording]

Krauss said it was a regrettable incident because it hurt the spirit and purpose of the government and opposition's work. The attack against Leigh would make a good pathological study, the minister added. [passage omitted]

The National Coordinating Board for Political Prisoners has said the attack on Gustavo Leigh does not reflect the current situation in the country. Communist Party leader Jorge Martinez, Movement of the Revolutionary Left [MIR] leader Carlos Ruig, and Manuel Rodriguez Patriotic Front [FPMR] leader Francisco Escobar heard the news while holding a news conference at the prison house.

The FPMR's Francisco Escobar said he is sure his organization was not involved in the incident because, as he said, we are not going to achieve anything with it. [passage omitted]

MIR representative Carlos Ruig said that the MIR would not carry out any armed action at this time, irrespective of the level of Gen. Leigh's involvement in past repressions.

Communist leader Jorge Martinez said that he is committed to respecting the democratic transition. He said that he does not believe that this type of action will contribute to the country's progress and stability.

Government Condemns Attack

PY2103192890 Santiago Radio Chilena Network in Spanish 1700 GMT 21 Mar 90

[Report by Nelson Oteiza from La Moneda]

[Text] Voicing the government's condemnation of the attack on General Gustavo Leigh, Enrique Correa—minister secretary general of the government—said a few minutes ago that the government has promised the country a thorough investigation into the attack on Gen. Gustavo Leigh and to immediately place those responsible for it at the disposal of the courts.

[Begin Correa recording] The government entirely rejects this cowardly attack, hopes it does not have worse consequences and wishes that Gen. Leigh recovers. The government promises to thoroughly investigate the attack, to identify those responsible for it, and to place them at the disposal of the courts.

The government also warns those who attempt to disrupt the concord, the reconciliation process, and the positive climate [words indistinct] that we Chileans have succeeded in establishing in this country over the last few weeks. [end recording]

Enrique Correa concluded by saying that the government will be kept informed continously about the former Air Force chief of staff's state of health.

Meanwhile, President Patricio Aylwin is listening to Interior Minister Enrique Krauss' report on the attack, here at Government House.

Air Force Issues Communique

PY2103231790 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 21 Mar 90

[Communique issued by Commander in Chief of the Chilean Air Force Fernando Matthei; place and date not given—read by announcer]

[Text] Regarding today's attack on Air Force General Gustavo Leigh Guzman, the former commander in chief of the Chilean Air Force, his assistant, and those accompanying him, I want to express on behalf of all members of the Air Force, our strongest repudiation of this cowardly act of violence that took place on this very important day for the institution. I consider this attack to be an attack on each and every member of the institution.

This attack by no means contributes to the positive process of democratic transition in which our institution is participating, because the Air Force has unequivocally joined this process.

We reaffirm to all citizens our indomitable will to continue to fly for the fatherland. I also want to reaffirm to the family of General Leigh, our profound feelings of sympathy and solidarity in this difficult moment.

[Signed] Fernando Matthei, General of the Air, Commander in Chief of the Chilean Air Force.

Protesting Political Prisoners Leave Jail

PY2103171490 Santiago Domestic Service in Spanish 1100 GMT 21 Mar 90

[Text] Seven political prisoners who were pardoned by the president and refused to leave the prison, as a demonstration of solidarity with other prisoners who had been tried for nonpolitical crimes, finally decided to leave. The first one to leave the prison was Manuel Leal. Seven other prisoners, however, refused to leave.

The prisoners were received by their relatives, friends, and leaders of the Committee of Relatives of Political Prisoners. Just minutes before leaving, the prisoners received the visit of Prisons Police Regional Director Victor Hidalgo who talked with the prisoners to seek a solution to the problem.

Deputy Andres Aylwin also visited the prison to inform the prisoners about a meeting he had with Justice Minister Francisco Cumplido. Aylwin said that on 21 March the government will answer a recent petition regarding another six political prisoners who reportedly meet the requirements to be released and were not included in the list of 46 political prisoners pardoned by the president.

The deputy added that the government is studying 20 other cases, but they must be confirmed by the Justice Ministry. Authorities said there are several political prisoners on a hunger strike—18 in Santiago, four in Rancagua, 11 in El Manzano jailhouse in Concepcion, and an undetermined number in Temuco, Chillota, and Osorno.

Carabineros Detain Three Lautaro Group Members

PY2103161290 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 20 Mar 90

[Text] Carabineros detained three members of the Lautaro Youth Movement in the border zone of Temuco. They are suspected of murdering a policeman on 14 December, during elections.

Carabinero Antonio Castillo Lara was murdered when he was serving at a voting station in La Granja neighborhood. The detainees have been identified as Ivan Esteban Concha Pizarro, 19; Edwin Rivera Valencia, 29; and Segundo Fernando Concha Galvez, 50.

The murder of the policeman had reportedly been planned by these three detainees, together with Roberto Irrazabal Navarro, who was detained on 29 February at Los Libertadores international passageway when he was trying to escape to Argentina.

According to the police report, on the day of the murder, these people met at the house of Segundo Concha where they chose their target and planned the action. Irrazabal Navarro has been charged with the murder. He was given a revolver, a wig, and other items.

Colombia

Barco, Venezuela's Perez Reopen Bridge at Border

PA2203043790 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 Mar 90

[Report by Jaime Aguilar Forero in Cucuta]

[Text] The presidents of Colombia and Venezuela have taken another step toward integration of our two countries in a new meeting. The initial meeting was held at the common border, where Presidents Barco and Perez announced the creation of two high-level commissions that will be in charge of implementing the agreements achieved between the two countries. The agreements pertain to immigration, protection of [words indistinct], delimitation of marine and submarine areas, and the demarcation of border points. Colombia's commission consists of former Ambassador Pedro [name indistinct], former Minister Julian Botero, and Patriotic Union President Diego Montana Cuellar.

The two presidents have also inaugurated the international bridge linking Cucuta and Maracaibo as a symbol of Colombian-Venezuelan integration. The bridge had been out of service for 21 years, and it was repaired by Colombian-Venezuelan (?contractors). Presidents Virgilio Barco and Carlos Andres Perez met today to officially rededicate the La Union International Bridge, which joins the two sister nations at the communities of Puerto Santander, Colombia, and Bocas de Higuita, Venezuela.

(?Amid) the patriotic fervor that prevailed among the members of the two delegations, the presidents opened the bridge

that cuts the travel time between Cucuta and Maracaibo by more than six hours. The construction of the bridge, inaugurated today by the two presidents, dates back 65 years and has been out of service since [date indistinct]. Foreign Minister Julio Londono once said that this was the symbol of the incomprehension that prevailed between the two nations. The reopening of the bridge will allow a cultural rapprochement and will help strengthen relations among the people living in the area.

Clashes With Guerrillas Reported in Cauca Region

PA2203041690 Bogota Radio Cadena Nacional in Spanish 1251 GMT 21 Mar 90

[Report by Reinaldo Hoyos]

[Text] Popayan—More clashes have been reported between the Jose Hilario Lopez Infantry Battalion of the Army's 3d Brigade and a guerrilla column of the so-called Revolutionary Armed Forces of Colombia, FARC, and the Army of National Liberation, ELN. According to military sources, the clashes took place last night and both sides have sustained several casualties.

Colonel Henry Fernandez, commander of the Popayan Battalion, is currently in southern Cauca Department directing the military operation against the subversives.

It was reported that the clashes took place in (Manto) Corregimiento, Patia Municipality.

A battalion spokesman in this city has just informed Radio Cadena Nacional that the number of casualties in these clashes has yet to be determined. He added that they are awaiting an official report on the fighting from Col. Fernandez.

The operations are currently taking place in the municipalities of Patia, Rosas, Balboa, Mercaderes, La Sierra, and La Vega.

According to unconfirmed reports, several people were wounded, but the number of casualties on both sides has not been determined.

* IMF Commends Nation's Economic Policies

90ET0147B Bogota SEMANA in Spanish 13 Feb 90 pp 31-32

[Text] Anything is possible. Until just two years ago the reports of the IMF kept the country's economic authorities awake at night. The course that our economic policy was supposed to take depended largely on what the IMF said.

Today the institution that keeps the economic team awake at night is the World Bank. Having become the sole lender that can provide us with fresh funds (aside from hard-nosed commercial banks), the bank is now the one that has the country with its back to the wall.

The IMF, in contrast, at least in Colombia's case, has returned to its traditional role: periodically evaluating the economy and suggesting actions to prevent new macroeconomic imbalances. We are not forgetting, of course, that commercial banks refer to its judgments when they have to decide whether to lend the country money.

Perhaps for this reason, the most recent IMF report is especially gratifying to Colombia. In this 35-page document, of which SEMANA has obtained an exclusive copy, the Fund's technicians contend that "the Colombian authorities have followed prudent macroeconomic and debt-management policies in recent years." It also acknowledges that the country has achieved relatively high rates of growth, and the policy recommendations that it makes are quite different from the traditional ones in previous eras.

The above notwithstanding, the Fund's technicians emphasize points such as cutting the budget deficit, a tight money policy, control of the real exchange rate, and the loosening up of trade policy. All of this is designed, in their opinion, to forge a better climate for both domestic and foreign investment.

Much of the report is designed to highlight the success of government fiscal and foreign-borrowing policy. As for the former, the Fund contends that "the authorities will achieve their objective of cutting the overall deficit of the nonfinancial public sector to 2.4 percent of the Gross Domestic Product." The scope of this goal has to do with the cutbacks that have been made in government spending, once the fiscal impact of lower earnings in the coffee sector were taken into account.

As for foreign borrowing, the Board of Directors of the IMF supported the negotiation of the Challenger loan in a supplementary document and stated that it was in complete agreement "with the authorities' intention to seek a refinancing of maturities with the commercial banks in 1991 and 1992, and with the medium-term program with multilateral agencies." The report itself emphasizes that Colombia has a sound external position, based both on its level of international reserves and the growth of its external revenues. "The sharp growth in exports of oil, coal, and nontraditional products would more than offset the fall in coffee exports," says the IMF.

This point is fundamental, because it means that Colombia will once again have the support of the IMF in the negotiations that it must conduct with commercial banks this year. What is more, in their evaluation of the inspection report some directors deplored the delay that the country had experienced in its rescheduling operations with the banks on previous occasions; this means that this year they could apply pressure so that an agreement is reached more smoothly than before.

According to the multilateral agency, "the authorities' program for 1990 maintains the same basic policies as in previous years and is designed to further reduce inflation and achieve an overall equilibrium in the balance of payments" (see box). The program calls for measures

such as cutting the real domestic price of coffee, boosting gasoline prices, and a wage policy for civil servants.

The country's foreign competitiveness warrants special attention. According to the Fund, the drop in coffee prices means that the devaluation policy must be carefully reassessed. Ultimately, it suggests that the depreciation of the peso against the dollar must accelerate in order to spur the growth of nontraditional exports.

Among the suggested moves is "the possibility of additional fiscal measures." Particular reference is made to the prices of goods and services provided by the public sector and to the price of gasoline. Austerity is also recommended in certain transactions of public-sector enterprises.

Like all international agencies, the IMF insists that in spite of its reforms in trade policy, Colombia needs to open up its economy further.

It bears emphasizing that unlike in the past, such as during the Betancur administration, the Fund's opinions are seen in this case more as pieces of advice than orders. What is similar, however, is that now as in the past, Colombia's economic policy squares with the orthodoxy that international agencies advocate.

[Box, p 32] Continuing Orthodoxy

Orthodox to the death, but effective. That has been Colombia's economic policy for the past 5 years. And it will be for the next five too if the goals set forth in the IMF's latest report are achieved.

The authorities project 3.5 percent economic growth for 1990. Recent events have forced a revision of that goal, however, and today there is talk of no less than three percent growth. The target is an average annual rate of four percent for the 1991-1994 period.

The administration's goal for fiscal policy in 1990 is to post a consolidated deficit of the public sector of around 2.6 percent (compared to 2.4 percent in 1989). The goal in ensuing years is to increase government savings and further reduce the budget deficit.

As for the external sector, the Fund's report says that in 1990 the full impact of the decline in coffee prices and of the battle against drugs will be felt on the current account, which will post a deficit of close to 2.3 percent of the GDP. "Nevertheless, the expected increase in capital flows will enable payments to be balanced. And if we assume that the growth in imports will remain modest, gross international reserves will fall to a level of around 8.9 months of merchandise imports."

Later on, according to the report, the sharp increase in exports of oil, coal, and other, nontraditional items will offset the decline in revenues from coffee exports stemming from the virtual standstill in real coffee prices. Moreover, this will enable the current-account deficit to be reduced from 2.3 percent of the GDP in 1990 to less than 1 percent in 1994. Capital inflows, in contrast, will gradually decline from around $960 million in 1990 to an average of $630 million a year between 1991 and 1994.

In this scenario international reserves will post a cumulative increase of $300 million between the years mentioned. In relative terms, however, reserves will decline from 8.9 months of imports in 1990 to around 7.6 months in 1994.

Now then, according to the IMF, the authorities will have to remain on the alert in managing the external sector because the cumulative change in international reserves over these 5 years could total as much as $900 million with a change of 10 cents in the price of a pound of coffee; $400 million for each dollar rise or fall in the price of a barrel of oil, or $450 million for each percentage point of change in interest rates.

On the basis of the scenario we have described, Colombia's foreign debt will remain manageable in the medium term, according to the report. "After reaching a peak of 47 percent of the GDP in 1987, estimates are that the foreign debt will decline from 45 percent of the GDP in 1989 to close to 36 percent in 1994. The debt-servicing rate, which hit a peak of 53 percent of goods and services exports in 1989, will drop to 36 percent in 1994."

Ecuador

Minister on Normalizing Relations With Panama

PA2203030590 Quito Radio Quito in Spanish 2300 GMT 20 Mar 90

[Italicized passages are recorded]

[Text] [Announcer] The Ecuadoran Government, according to Foreign Minister Diego Cordovez, was one of the first to speak out on the U.S. invasion of Panama, which took place three months ago on this date.

[Cordovez] *We said that we were going to evaluate the situation. We were the first Latin American country that said, very politely, that in our opinion, the people in Panama should be consulted to lend legitimacy to the new government. This has been done, and I am happy to say, with the support of all the Latin American countries and the United States.*

[Announcer] Ecuadoran Ambassador to Panama Dr. Pio Osvaldo Cueva stressed that relations between our country and the Central American country are gradually returning to normal. The Panamanian refugees at the Ecuadoran Embassy on the isthmus have been granted safe-conducts by Guillermo Endara's government, Pio Osvaldo Cueva said.

[Cueva] *I would say that what Ecuador did was to analyze the evolution of the political situation in Panama. Good things, such as calling for the people's consultation, was announced by President Guillermo Endara on 1 March. This call coincides with the opinions of certain Latin*

American personalities—Foreign Minister Diego Cordovez, for one, suggested this in late December 1989.

[Announcer] The diplomat said that Ecuador hopes the Panamanian Government will review the cnal tolls so they are fair and reasonable.

[Cueva] *Ecuador wants some sort of mechanism that will allow for consultations, commentaries, suggestions, and arguments by the people of Latin America, especially those on the Pacific coast of South America. Ecuador is the greatest canal user among Latin American and Caribbean countries; 70 percent of our imports and exports move through the Panama Canal. It is necessary for us to design special legislation to ensure that our exports, our foreign trade, is properly protected and that the principles contained in the 1977 treaties, which say that canal tolls must be fair and reasonable, are complied with.*

Peru

Shining Path Kills Three Marines, Injures Two

PY2103142690 Madrid EFE in Spanish
0142 GMT 21 Mar 90

[Text] Ayacucho (Peru), 20 Mar (EFE)—A military source reported in Ayacucho today that on 19 March, members of the Shining Path terrorist group killed three marines and injured two others at the river port of Ochegua, 100 km east of Ayacucho.

The source added that on 19 March Navy marines were carrying out control tasks in Ochegua, on the Apurimac River, when they were attacked by the Shining Path, who delivered heavy fire on the marines' position.

The source added that, as a result of the Shining Path attack, officer Miguel Pachas and marines Carlos Solis and Humberto Palacios were killed. Officer Jorge Mazuelo and marine Eduardo Camacho were injured.

Ayacucho, 576 km southeast of Lima, is in the Andean province where the Maoist Shining Path group began its armed struggle in May 1980 which has claimed at least 19,000 victims.

According to official statistics, thus far in 1990, political violence is responsible for the death of about 30 members of security forces.

Politicians Rule Out Dialogue With Terrorists

PY2103145490 Madrid EFE in Spanish
0342 GMT 17 Mar 90

[Text] Lima, 16 Mar (EFE)—Today delegates of the main political parties ruled out the possibility of dialogue with the terrorist organizations. They agreed that, to effectively combat terrorism, it is critical that people become aware of the threat to the democratic system's stability that terrorists represent.

The spokesmen also expressed their concern over the increasing activity of terrorist groups and the distances between civilians and military units in areas under a state of emergency.

They pointed out, however, that the terrorist organizations will not "prevent or annul" the 8 April presidential elections.

According to the Peruvian Constitution, the elections can only be canceled if one-third of all the voters—it is expected that about 10 million people will vote in this election—cast blank or null votes.

The Maoist Shining Path terrorist organization began its armed struggle in Peru 10 years ago. Four years later, the Marxist Tupac Amaru Revolutionary Movement (MRTA) began its terrorist activities. Terrorism has since claimed the lives of at least 18,000 people and caused damage worth $16 million.

Spokesmen of the ruling American Popular Revolutionary Alliance (APRA), of the rightist Democratic Front (Fredemo), of the United Left (IU), and of the Socialist Left (IS) met with foreign correspondents to analyze Peruvian political violence.

Javier Valle Riestra, an APRA vice presidential candidate, said that the political violence unleashed by the Shining Path organization has caused "chaos" in Peru and it is waging a war "between an existing state and a state to be born."

Senator Valle Riestra said that "the Shining Path organization wants to create a headless state and a power vacuum."

Fredemo representative Guillermo Van Dort said that the terrorists seek to destroy the Peruvian state "to create a new state" in keeping with their Maoist principles.

The lack of comprehension, support of Andean area peasants, and support of urban workers are the major problems the Peruvian Government is facing in the fight against terrorism. The Fredemo representative said that the Shining Path and the MRTA terrorist organizations are losing the war in the military area but they are succeeding psychologically. The Fredemo is an alliance of political parties whose presidential candidate is the author, Mario Vargas Llosa.

Senator (Enrique Bernales), an IS vice presidential candidate, expressed his fear that because of terrorism, Peru is going down the road of the Shining Path and that "the minimum norms of civilization are being lost."

He said that the subversive groups are confronting each other for hegemony of the political violence, while peasants have declared war and accuse each other of being infiltrators and supporting the Shining Path and MRTA terrorist organizations.

He predicted that the armed struggle will continue for a long time, adding that if the IS wins the elections it will try to bring peace to the country through structural changes and by urging people to become aware of the need to promote the national defense.

IU Senator Volando Ames stated that civilian power should be subject to the military in areas under a state of emergency as a way to solve the political violence.

"The Marxist left wants to build popular power, but we do not support the armed struggle," he said. "We have to find the Shining Path terrorists and fight them with their own arms to defeat them," Ames added.

* Legislators Debate Marxism, Perestroyka

90ET0145A Lima EL NACIONAL in Spanish
4, 5 Feb 90

[Article by Carlos Cabrera Oliva and Leoncio Bueno on debate between Gustavo Espinoza Montesinos (PCP), Roberto Ramirez del Villar (PPC), and Javier Diez Canseco Cisneros (PUM): "Marxism: In Search of Its Lost Identity"]

[4 Feb pp 17-19]

[Text] Faced with a topic of such burning urgency as the very existence of Marxism and the tidal wave of perestroyka, EL NACIONAL called upon three politicians of substance. Deputies Gustavo Espinoza Montesinos [GEM] (PCP [Peruvian Communist Party]) and Roberto Ramirez del Villar [RRDV] (PPC [Popular Christian Party]) and Senator Javier Diez Canseco Cisneros [JDC] (PUM [Mariateguist Unified Party]) presented their views and engaged in heated debate. Dr Hugo Garcia Salvatecci from the APRA [American Popular Revolutionary Alliance] apologized for being unable to attend. Senator Rolando Brena Pantoja (UNIR [National Union of the Revolutionary Left]) was also invited but did not attend.

[EL NACIONAL] What differences do you see between what the founders of scientific socialism maintained during their lives and in their works and what, since the '30's, has come to be called "Stalinism"?

[JDC] I think the theory of scientific socialism is based on certain fundamental ideas, one of which is the idea that the working class is the fundamental tool for transforming the capitalist regime's system of exploitation and oppression into socialism and that the working class, as the driving force of victory and by virtue of its struggle, bears responsibility for moving toward a higher society in alliance with all working forces comprising it.

The first difference I find in the theory of Marx and Lenin and the practice of Stalinism is that of the working classes in the organization and management of socialist society.

The Marxist conception is profoundly democratic. It is the workers who, through their struggle, bear responsibility for becoming the driving force of history, with direct leadership of and presence in the government apparatus. In contrast, in Stalinism the class was represented exclusively by the party and the party takes total control of the state, so that there is no participation of real, direct, rank-and-file, worker organizations in the administration of the state, and there is an improper identity between state, party, and class.

Second, I believe there is a difference between Marx' concept of the relationship of the person and his class in which class is fundamental, but within them one recognizes the existence of the person and the contribution of persons and a vulgarized conception of Marxism that fails to recognize the individuality of the person and would make everything subordinate to the class collective.

I think these elements mark a difference between the conceptions and political practice of Stalinism, which in my opinion explains part of the problems that have gradually arisen throughout the history of real socialism.

[RRDV] It is my interpretation that Marxist positions, meaning the philosophical conceptions of Marx and Engels, are expressed as follows:

Historical materialism, the class struggle, the final victory of the proletariat, and a society of abundance without any state: These are the four hypotheses of Marxism which, at least theoretically and on a doctrinal basis, were outlined and set forth as the ideology's guidelines in the middle of the last century. This Marxist doctrine began to suffer certain crises, particularly in recent years.

I think that the presence of Marcuse, for example, gives Marxism a different interpretation, and the new French socialists and economists began to prove that the very body of Marxism is not strictly scientific, on the one hand, and, on the other, inherently contains the seed of violence, contrary to the claim that it not a doctrine that uses violence as a means rather than an end.

But in the final analysis, that is the doctrinary portion that I think will continue to be debated in the world of theory for many years to come.

What is of immediate interest to us is Marxism as applied in the Soviet Union, and there I would distinguish four stages:

The first includes Lenin and consists of two phases involving the construction of society. The second is that of Stalin and involves the construction of socialism and the dictatorship of the proletariat, which he deemed not to be that of the working class, but rather, the vanguard of the proletariat. Not the lumpen, but the choice part; not the proletariat itself.

Then came Khrushchev, with the 20th Congress of the CPSU, exposing the brutal state dictatorship, mass murders, the collectivization which took millions more lives in the Soviet Union than had both World Wars, and the process of de-Stalinization that would put an end to the personality cult that had been the maximum expression of Stalinism.

After Khrushchev came Brezhnev, with the ideological centralism that also created another form of interpretation of the state which Gorbachev is now destroying.

Of these four hypotheses, I would say it is not only the practical effects which they produce in the USSR and all countries dominated by it that are beginning to plunge into crisis.

[GEM] Socialism is conceived by its founders as a society in which different features and individual characteristics exist. Socialism is naturally not a prefabricated model or recipe applied uniformly to all latitudes, all historical processes, all situations; it is not that. Socialism is simply a general overall conception that seeks its particular traits in each country, each sovereign people, each geographic milieu, each phase of history.

And yet, socialism has certain particular traits that make it consistent with its conception. Two are fundamental in order to be able to define a certain society as socialist: One is the social ownership of the means of production and the other is the working class in power.

This conception was formed during the time of Lenin, when the need to forge a socialist society for everyone was outlined. This was the meaning of the Leninist effort to approve of society.

Stalin marked the beginning of a distortion of Marxism, generating a different statist, centralist, authoritarian model revealed by a series of specific phenomena: The existence of a revolutionary process in a single country, civil war, the attack of the 14 nations, the difficult '30's, and the Nazi fascist aggression all formed a picture of distortions of Marxism that gradually led Stalin's model away from what had been the conception of socialism.

[EL NACIONAL] Deputy Espinoza, during what period did you describe the distortion of Marxism-Leninism that Stalin allegedly caused?

[GEM] I think the communist movement is reborn with the 20th Congress of the Communist Party and, more significantly, with Khrushchev's report in 1956. There is one issue that is now clear everywhere in the world, however. There is still a large number of topics that are not discussed or even analyzed. Things reach our country indirectly. For example, I read Khrushchev's report to the 20th Congress only 4 or 5 months ago, an enormous delay in terms of the actual situation, and why? Because we have somehow always had an idyllic view of socialism that we must honestly recognize. What was it that finally revealed that that vision was idyllic? The whole set of problems that arose in actual socialist practice. Objectively speaking, there are mistakes that must be faced and overcome and there are concepts that must be debated all over again.

[EL NACIONAL] Deputy Ramirez del Villar, what is your opinion on this point?

[RRDV] I would say that the problem, when one clings fanatically to an ideology, is that one's vision and awareness are narrowed. The result is that one no longer has a panoramic view, but rather, an increasingly narrow and, consequently, ever more unrealistic view.

What I can say then is what I saw in the Soviet Union the first time I went there in 1959. I found agriculture in a state of collapse even though they were talking of a 7-year plan supposedly represented by the production of the kolkhoz, that is, the state farm directly managed by the Soviet, which was pitiful. Production was poor and that of the kolkot [as published], the collective farm, was no better.

[JDC] I think the experience of each one of us of that phenomenon has been different. In our case, we took a non-Stalinist position, a position I would say was even directly critical of Stalinism. Those of us who came into political life in the new left of the decade of the '60's never took a Stalinist position; it was rather the opposite. We were critical of what we knew of Moscow's judgments and faced a bureaucratic, authoritarian leadership of socialism that did not contain that which, from our point of view, was the first lesson of Marxism: the Paris Commune.

The action, organization, and direct control of the masses, the democratization of state political management and economic management, of the machinery of defense, and the maintenance of internal order: That is the direct role of the working people in the building of socialism.

[EL NACIONAL] Senator Diez Canseco maintains that beginning in 1960, he discovered that Stalinism was a distortion of Marxism, while Deputy Espinoza says he learned it only 4 months ago. This is very important in meting out responsibilities because there is a similarity with the personality cult and fanaticism practiced by Sendero Luminoso [Shining Path—SL]. Abimael Guzman is fostering in his followers an Asian-type personality cult that claims to be 100-percent Stalinist, as Alfonso Barrantes once protested in an article on him in CARETAS by Cesar Hildebrandt. What is your opinion on this?

[JDC] I think the personality cult is not a phenomenon peculiar to a distortion of socialism. The personality cult viewed as bossism, for example, is a continuing phenomenon in our country. Many political parties revolve around a boss, a strong leader who is decisive in the life of the party and whose opinions predominate.

The tendency toward collective leadership, for example, the nonrotation of leadership posts, the eternal chieftaincies are all elements existing outside the framework of whether or not there is a Marxist socialist option. I think this has to do with the development of the organization and awareness of the population. It is true that socialism has had personality cults with lethal effects. What has just happened in Romania with Ceausescu is a brutal revelation of what this can mean.

[RRDV] I think that the collective as such is not a character in history. That is one of the many fallacies invented to try to halt man's tendency to gravitate toward powerful leaders. Hammael said that history was more of a succession of figures. If we look at all trends, we see that a movement is connected with a figure, whatever his affiliation, of the right, left, or center.

Politics always has a human form. It is anthropomorphic. The masses always identify a movement with a person, which is dangerous when that person is deified, when he transcends the merely human boundaries and takes on the divine. When that power is utilized for the purpose of mystification in order to create the personality cult around oneself, which we see in Stalin, Mussolini, Mao everywhere, then we say that the process has degenerated because it is aiming at replacing the religious concept which every man has at the very heart of his being.

[GEM] Very good, but I would first of all like to clarify one concept: Here we are not talking about any fanatical support. Our support for socialism has been fundamental. Socialism basically resolved the material problems of the masses and we can see this in the socialist countries today: The strikes, protests, and demonstrations have nothing to do with wages, demands for benefits, or working conditions because material needs are fundamentally being met. People have work, wages. Their problems of education, health, and so on, have been solved.

[EL NACIONAL] Is this a paradise?

[GEM] No, it is not a paradise. There are obviously limitations, many things are lacking, and freedom is naturally missing, but the most urgent needs of the masses have been met.

[EL NACIONAL] Would Deputy Ramirez del Villar like to add something?

[RRDV] Yes. The problem is not only when there is a personality cult, but when the possibility of any other thought is eliminated, opposition is eliminated, and power is concentrated in the party, group, or government union. So then what does Stalin do there? He assumes total command, is head of the party, the government, the troops, everything. In other words, he nullifies the opposition, fights it physically, and replaces it with a bureaucracy that is the one Gorbachev is fighting today. Consequently, I say that authoritarian power is necessarily uncontrollable and leads to corruption. It is inevitable and it is the most dangerous thing under communism because it is the barrier for containing socialism.

[EL NACIONAL] But despite Khrushchev's report before the 20th Congress, the CPSU did not make the related debate and demonstrations public until last year. Before that time there was no real connection with Stalinism, and that is perhaps one of the reasons for the appearance of Sendero Luminoso. Never before had we discussed here Stalin's personality cult instituted in the name of socialism, and anyone who disagreed was considered an enemy of socialism, the people, and the USSR, which was not only an exaggeration, but a distortion.

[GEM] The personality cult is incompatible with socialism, Marxism, and communism. Marx and Engels were enemies of the personality cult. It is therefore a distortion for it to occur due to a concentration of power.

[JDC] I merely wanted to note, first of all, that the socialist conception that Stalin maintains is markedly different from that of Mariategui.

I think Mariategui was a man with no idea of cultivating his image; that is true. He was a very collective man; at least I believe in the collective aspects, that many heads can think better than one, and that it is possible to identify movements with organizations of a collective nature. But I also believe that Stalinism cannot simply be limited to the problem of the personality cult. Stalinism is a way of organizing the state, a method of organizing the economy, production, culture, and art. He was profoundly totalitarian in the sense that he was a centralist, bureaucratic, whence the hypothesis that the dictatorship, the party, should direct everything, control everything, because it knows everything. That is Sendero, whence its intolerance.

[5 Feb, pp 1-14]

[Text] EL NACIONAL brings its readers the final portion of the fiery debate over the validity of Marxism and the reorganization of political, social, and economic structures in countries in the socialist bloc. Perestroyka is now the topic rousing heated discussion and clashing views. Senator Javier Diez Canseco and Deputies Gustavo Espinoza and Roberto Ramirez del Villar express their respective positions and analyses. We should like to point out that in the text, the reader will repeatedly run across the phrase "I believe," which reveals that the problems are very complex and have a rather uncertain direction. Participants were therefore most cautious in their opinions and assertions. Responses of Javier Diez Canseco are preceded by his initials, JDC, Espinoza by GEM, and the PPC's Ramirez del Villar by RRDV.

[EL NACIONAL] What do the current changes occurring in Hungary, the GDR, Czechoslovakia, Poland, and Romania mean to you?

[JDC] Well, I believe that together with perestroyka, these changes are first of all part of the process of building socialism, inasmuch as under the specific conditions in which it took place, it generated problems and distortions. I think the processes we are discussing are the expression of a concrete situation in each place and do not all mean the same thing. I think that certain other changes lead to a process of democratization of socialism, to an option that maintains the essence of the socialist conception, of the role of the working classes, the negation of the concentration of private property in a few hands, the negation of monopolies. I think the German phenomenon of the GDR, for example, clearly shows an opposition force that is emerging with a socialist will, while there exist other phenomena that are clearly leaning toward capitalism and producing terrible social problems in those countries, with tens of thousands of unemployed, people experiencing situations of terrible shortages, and foreign investments that are beginning to control the main communications media.

[RRDV] I also believe this is no single phenomenon, but rather, several, varying from country to country. It depends on the degree of oppression the country experienced, the degree of occupation exercised by the Soviet Union. Let us not forget that Hungary, for example, had a major uprising in '56 that was crushed by Russian tanks which stayed on as an occupying force. The same thing happened in East Germany and Czechoslovakia, which are different, for example, from what the revolution may have been in Yugoslavia, which has had a different system, even during the time of Stalin. In other words, we are dealing with different situations, but I nevertheless believe they all share one common denominator, which is freedom. The tendency not to allow the state to be oppressive to the point that the party, as imposed by Stalin, not only symbolized the punity [as published] of doctrine, but was also in charge of training cadres and of seeking out and generating new leaders, means that there is resistance against the single party so that there may be a possibility of other forms of expression all leading to political pluralism sooner or later. It would not surprise me at all. In some cases, I would say the Marxist rank and file remains, while in others, the revolt is no longer only against the political system, but the economic formula as well.

There are places where, not only has the Communist Party been abolished, but the term "Marxist" as well. In other words, something similar to what happened to the German Social Democrats, who at one of their congresses totally eliminated the major Marxist premises and even the term "Marxist" from their positions. This seems to me to be bearing fruit in some sectors.

[GEM] I think there is a different situation in each country as has been stated, but that the common denominator is not freedom. It is said that the common denominator is derived from the fact that socialism was imposed without any proletarian revolution. What basically happened was that at the end of World War II, the Soviet Army took control of the zone, freed those countries, and created the conditions so that specific Communist Parties might assume power.

The beginning stems from the fact that there was no proletarian revolution. Rather, what one had was the presence of a political-military situation that enabled the communists to take control of government.

Having socialism in power made it possible to resolve a number of the countries' problems, but not others. As already stated, the basic material problems of peace were solved, but many other problems relating to freedom remained. These problems became more acute with the development of events and the scientific-technical revolution. In the world today, it is no longer possible to keep societies closed. In 1950, any communist leader could keep his country totally isolated from the outside world, but that is no longer so.

[EL NACIONAL] In the countries where real socialism was applied, the basic problems were truly solved. Why for example, in Romania, a socialist country, did there exist such great poverty among the people due to the absurd payment of the foreign debt down to the very last penny?

[GEM] Actually, socialism solved the vital problems of the masses because the people need to eat every day, have clothing, and work, and these aspects were taken care of under socialism. Now then, in the case of Romania, the material situation of the people became acute because what the Ceauscescu government did was to require enormous sacrifices of the people in order to pay the foreign debt. Poverty did increase as a result. The difficult situation was actually the result of that policy.

[RRDV] I disagree that the basic problems of the people were resolved, even in the Soviet Union. I do not mean in the satellite countries; I mean in the USSR itself. If the continuing agricultural crisis forced it to import food, are we going to forget that? Then we cannot say that all the problems were solved if there was constant food rationing for the people. Only where foreigners shopped could one get products, but the rest could be obtained only by standing in lines every day, and I saw this in the Soviet Union.

So don't go telling me this business about socialism solving everything! What has happened is that now that some of the curtains are falling from that side of the world, we see that the evolution of each of those countries was different.

[JDC] I think that here one has to start from the basis of the question: What is the capitalist world and what is the socialist world? I think it is funny that whenever they evaluate the socialist world, they look at the entire socialist world, but when one evaluates the capitalist world, one does so only in terms of the United States, France, England, and so on. But what about Peru, Brazil, Ecuador, Colombia, Haiti, and Central America? These are all capitalist countries, so if we compare living

standards and find an average from the United States to Haiti in the capitalist world and from the Soviet Union to China and the other countries in the socialist area, I think it would be extremely easy to measure in terms of health.

Without any question, studies done by FAO, UNESCO, and the United Nations, which are not communist, all reveal that the living standards in terms of social services, education, health, housing, and food are obviously higher in those countries than in the capitalist world, including the Third World. I therefore believe that is necessarily part of the balance sheet. Now does this indicate there were no productive problems in those countries? I think there were and that the only type was the problem of freedom. Is that not so?

[GEM] First of all, I would say that material well-being in the capitalist world exists in 10, 12, or 15 of the 130 countries in the system. There are consequently 110 or 120 capitalist countries living under subhuman conditions where a few small groups live well. Such abysmal differences do not exist under socialism because there is a specific level of development. Now then, the Soviet Union did indeed have less development when it was the Russia of the czars, but second, in order to raise the output of socialism in the countries of Eastern Europe, the Soviet Union made many efforts, providing solidarity, support, and material aid to those countries. That solidarity was derived from the sacrifice of its own people.

[RRDV] Forgive me, Gustavo, but you start, as Marxist-Leninists have always started, by saying that the Soviet Union practically started from scratch, but that is not true. The Soviet Union started from a Russia that was the fifth power in the world, when it was defeated, so that it was not starting from scratch.

[GEM] First of all, Russia did not start from scratch because it was a feudal country during the time of the czars. Second, that country was destroyed by World War II and therefore, not only had to build its first economy, but also had to rebuild its economy and then rebuild the economy of the East European nations. The Marshall Plan was for France, Italy, and England, not for Poland, Hungary, Czechoslovakia, Bulgaria, and so on.

No, that was socialist Europe and it had to rebuild with the efforts of its own peoples and the Soviet Union's aid. We must never forget this.

[EL NACIONAL] Senator Diez Canseco, do you share these views?

[JDC] I think it is true that if we measure the standard of living of the entire capitalist and socialist worlds, the standard in the socialist world as a whole is better and this, in my opinion, is a fundamental problem because it indicates that there is already a base, and the masses in those countries would continue to defend their living standard.

I believe that here we have a problem of the evolution of the process that we cannot ignore. I think that, despite the fact that capitalist Europe and the Americans claimed to promote a kind of Marshall Plan to win over this area of the "interworld" of Eastern Europe, but first of all, their offers were much greater than the possibilities, meaning their tongue moves much more rapidly than the hand could travel to the pocket.

[EL NACIONAL] Obviously, the processes at work give rise to questions that can be answered from various standpoints and based on different interests. For you, is perestroyka a shift toward social democracy or new forms of capitalist government?

[JDC] Perestroyka is something complex. The impression I have to date is that perestroyka has fundamental ideas, but it is not a model, a complete conception. I think perestroyka is more of a negation, meaning that perestroyka knows what it no longer wants, in what direction it is headed.

I think there are fundamental ideas of what it wants to democratize. It wants opennessin public administration. It wants to put an end to the monopoly over expressions of authoritarianism. It wants to rouse a revival of the productive apparatus and incentives in this field, but there is no overall model and extremely serious problems have surfaced. As American and European newspapers themselves say, Gorbachev is more popular outside the Soviet Union than he is at home, and difficulties facing this society and potential losses to workers, the government bureaucracy, and others are great. The challenges of this process are not over. Certain forces in East European countries have proposed that their solution is a move toward social democracy. They have even proposed to join the Socialist International, but I think this phenomenon of perestroyka and the processes of rectification have a single meaning, as I said. I think we are witnessing the beginning of a process of the renewal of socialism in the midst of a crisis that is one of growth and reorientation of the mass movement of the working class as the leader of history, along with the rest of the workers.

[RRDV] I think it is a process obviously under way, but moving in what direction? I do not know and do not believe the Russians themselves know. First of all, it must have been an enormous surprise to them that the problem of the nationalities should emerge in a society presumed to be homogeneous and where it was thought that the different nations, through their decentralized governments and their respective representation in the Supreme Soviet, were more than fine, even content with their situation. We now see they were not, that they felt constantly held down by the Soviet Government. If not only these nationalities are rising up, but others, such as the Baltic Republics, the Arab areas, the Turkish zone, and in an area near where no less a figure than Stalin himself lived or was born, then it serves notice that the USSR is an assemblage of nationalities.

In other words, it is a surprise and I do not know how far it will go. It could even end in a great confederation resulting, not from imposition, but from debate.

[GEM] I think that in the changes we see in socialism today we can distinguish three elements joined together, starting with mistakes made trying to overcome what is being done. Second, perestroyka is a process of the renewal of socialism. Third comes the crafty work of the imperialist enemy and intelligence agencies that are trying to fish in muddy waters in order to score a few points. Perestroyka does know what it wants. I do not think the opposite is true. Rather, it is only being defined in a negative sense.

It wants to get back to Lenin, to give socialism the democratic meaning that Marx, Engels, and Lenin conceived for socialism. It wants to modernize socialism. I also wants to modernize Soviet society in circumstances in which scientific and technical changes require a society far more developed than what exists in the Soviet Union and that could compete with the industrial development of the United States. Here it is very clear: For every Soviet citizen with access to a computer, there are 20,000 Americans and 40,000 Japanese with computers. This shows that the level of scientific-technical development applied to daily life is infinitely higher in the capitalist countries, which are far more developed than the Soviet Union.

Perestroyka is not moving toward capitalism. Rather, it is moving toward the modernization of socialism. However, it is clear that in this wave of changes, it may be that in certain socialist countries or in the ones in which socialism is being built, procapitalist political forces may take power. This is what has happened in Hungary specifically, in Poland as well, and here things are much more dangerous. I think this is so because these governments are already adopting procapitalist programs aimed at rebuilding a kind of capitalist economic structure.

I believe the fundamental weakness of perestroyka is that changes are being made in the superstructure, meaning changes in the political sphere, but no basic changes are taking place in the country's economic structure, in relations of production where there are problems with nationalism. Azerbaijan and Armenia are a weak expression, but we must consider that there are also religious problems. The Armenians are Orthodox Christians, while the Azerbaijanis are Fundamentalist Muslims. These are things that have always existed, but under Stalin all unrest was held down as if in a pressure cooker.

[EL NACIONAL] Perestroyka is fundamentally a process of correcting mistakes, big mistakes, in the building of socialism.

[RRDV] There are four phases of the Soviet state: of Lenin, Stalin, Khrushchev, and Brezhnev and this would be the fifth. However, there is no comparison between Lenin's phase, for example, and that of Stalin. Here one has one of the mistakes of Marxist doctrine because the conditions of production never changed and yet the superstructure did. From a democratic system it turned into a dictatorship, meaning that the superstructure did not obey the Marxist thesis that when the means of production vary, the superstructure varies.

I would therefore say that what Gustavo is now saying, that the mistake lies in the fact that nothing has yet been corrected below.... It would not matter, at least as I see it, if perestroyka is creating a new state because with the new state created, perhaps even backwards, the means of production would obey the trend of the new state better than the Marxist formula, that the means of production are what give rise to the superstructure or the legal structure.

[JDC] Indeed, perestroyka in the Soviet Union is a process that tries to correct errors. I do not believe, however, that one can identify with perestroyka everything that is going on in Eastern Europe. Second, when I say that perestroyka is clearer about what it does not want than what it wants, I wish to point out that no model has yet been defined.

Third, I continue to be very concerned about one aspect of perestroyka. This process is in my opinion leading the USSR to look at itself in the mirror, and the Soviet Union's role of internationalism is undergoing major changes in the balance of forces in the world. The Americans feel they can intervene militarily with a freedom they did not have before and when they would not have done so under different circumstances. This is the case in Panama, where there is an open American invasion that is receiving what in my opinion is a rather weak or even extremely weak response on the international sphere.

In other words, a great power—and the Soviet Union is just that—with all its problems and mistakes, is taking a long look at itself, absorbed in its central problems. I think this may lead to certain variations in the world that are extremely delicate for Third World countries. And I think that at least for those of us who have a socialist option, this is a fact that we must bear in mind and to which we must call attention. We think that the different forces must try to maintain the sovereignty of each country, that each country must solve its own problems, because all countries live in a world in which forces confront one another, balanced or not. In this process, the Soviet Union, in the present situation and in the immediate future, gives the American empire an extremely disturbing margin of action. In the different processes of socialist transformation, there has always been one basic premise, that just as the capitalist power groups had their international rearguard, the processes of national liberation and progress toward socialism could find a rearguard in the phenomenon existing in the Soviet Union. I think that changes are now taking place here. I do not mean the Soviet Union does not have any international policy of solidarity with those countries.

[GEM] I do not think there is any model of perestroyka, nor will there be one. Perestroyka is precisely the end of

the models. It is the negotiation of everything that is a kind of stamp in the socialist countries. In every country, socialism will be built based on the possibilities and real capacity of the working class.

The revolution is made by every nation, the working class of every country. It is very important to bear this in mind. Before—and this distortion is our mistake—we had the idea that we revolutionaries would take power, build a socialist system, and then call on the Soviet Union to give us technical assistance and credit and we could build socialism with its help and that of the socialist camp. We were not the only ones with that idea. Revolutions all over the world did too, in developing countries. A great deal was thus done in the liberation movements in the countries of Asia, Africa, and Latin America.

Not only is it not possible; it is not logical or materially feasible under the current circumstances. But we have to take a backward look: When the Soviets embarked on the epic struggle to build socialism, who helped them? No one.

The USSR will continue to be the strategic reserve of world revolution, but it will not have material possibilities of helping as we thought it would be able to and as it indeed once did. But that has nothing to do with the imperialist invasion of Panama, for example.

After all, to believe that just because with perestroyka the USSR filed down its nails a bit and allowed the Americans to go into Panama is to have a false idea of things.

The ones preventing the United States from continuing to intervene in the countries of Latin America will be the very nations of our continent, and that is our struggle. Here the problem is not to suggest the idea that the Soviet Union should have done something more. Rather, one has to ask: What did we Peruvian revolutionaries do in solidarity with the Panamanian people?

* Orlandini Criticizes Elections, Fredemo

90ET0142B Lima EL NACIONAL in Spanish
9 Feb 90 pp 15-18

[Interview with Popular Action senatorial candidate Javier Alva Orlandini by Margarita Munoz; date and place not given; first two paragraphs are introduction]

[Text] The strong man of the Belaunde regime, Javier Alva Orlandini, who was reported to have held absolute power at some point during the 1980-1985 period, has broken his silence to challenge "the bad deal" that Popular Action (AP) struck when it joined the Fredemo [Democratic Front]. He thinks that AP was not given a fair portion of the parliamentary slates, and he doubts the sincerity of those who have taken advantage of the current situation to proclaim themselves "independent." Without trying to achieve notoriety, the popular "Lechuzon" [big owl]—a nickname he was given over 25 years ago—condemns the highly expensive campaigns that the candidates on his own slate have launched, recognizing that under the present circumstances any extravagance deserves the repudiation of the citizenry.

His absence from party functions was not, he explains, due to selfish interests, but rather to his frustration at not being able to serve the fatherland as he would have liked. Today, as a candidate for a Senate seat, and after his voluntary retirement, he has risen like a phoenix to awaken the consciousness of the citizenry. This weekend he kicked off his election campaign right in the middle of his stronghold in the north.

[EL NACIONAL] It has been remarked that the AP forces who are unhappy with their exclusion from Fredemo have rallied around you. There is even talk of a certain rebellion....

[Orlandini] There is no rebellion within Popular Action. Naturally, in any internal election process in any political party there are battles, because many want to run for office and only a very small number can be selected because of the quota that is assigned. In the specific case of Fredemo, a very small quota has been allotted to AP, which does not reflect the real volume that the party represents, considering its record.

[EL NACIONAL] And what do you think that percentage should really be?

[Orlandini] Perhaps Fernando Belaunde's idea that the parties in the alliance should be allowed to run on their own, separately in the municipal elections, should have been kept. That would have been the main indicator, in that the results of those elections could have been used to determine the fair share that each party deserved.

[EL NACIONAL] Has it been unfair, then, to assign to Popular Action just 20 percent of the slots in the parliamentary slates?

[Orlandini] I think it is a great injustice. Now, I think that this must be the same problem that is being faced in the Liberty and the PPC [Popular Christian Party] camps, because in some way all the components of the alliance believe they are entitled to a greater percentage. That's why there's a little friction....

[EL NACIONAL] A widespread malaise, to be more precise....

[Orlandini] I would not call it malaise, per se; rather, it is a confrontation that has to take place in a front where there are different viewpoints.

[EL NACIONAL] But it is a fact, for example, that the Liberty candidates have more financial resources than their AP and PPC counterparts. All you have to do is turn on the television to see how they are inundating the electorate.

[Orlandini] The main reason for that is that many of them are unknown, and they have no way other than the mass media to reach out to the voters.

[EL NACIONAL] But there should be a pact, a gentlemen's agreement if you will, to avoid such profligate spending, primarily because of the disadvantage suffered by candidates of limited means....

[Orlandini] That is very difficult, because every candidate wants to go to Parliament, and he will do everything within his power to win....In my case, I will have to pass the hat among my friends.

[EL NACIONAL] But don't you think people are exaggerating the "calling to serve"? There are campaigns in which millions of intis are being spent.

[Orlandini] In Peru we need a political party law which will lay down very clear rules on how the presidential and vice presidential candidates should be elected.

[EL NACIONAL] Do you have any outline of such a law?

[Orlandini] No, but I understand that we urgently need regulations to govern the funding of political parties and campaign spending, for example. In a country like ours, which has been corroded by a serious economic crisis, we can't have ostentatious spending on advertising. The effect may be counterproductive, because there are people who don't have bread on the table while those who claim they will take care of these people are actually more concerned about raising millions for their campaigns.

[EL NACIONAL] Do you see any substantial difference between this campaign and the one you were involved in in 1985?

[Orlandini] None. In 1985 it was Alan Garcia who had the most advertising, and now it is Mario Vargas Llosa. What is noteworthy is that the Belaunde government complied fully with the constitutional requirement that it provide free time on the state media for the advertisements of the various parties, without discriminating against any of them. The current regime has certainly not followed suit.

[EL NACIONAL] You were accused, nevertheless, of using state resources. Remember that you were the strong man in the AP government.

[Orlandini] A lot was said, but none of that was true. I traveled in helicopters, but we also provided such transportation for Alfonso Barrantes and Alan Garcia himself. As I said before, the media were made available to the parties and candidates. Now, look how they're saying the same thing about the APRA [American Popular Revolutionary Alliance] candidate, Luis Alva Castro. They claim that he is using Electro-Lima cranes to put up his billboards. The candidate of the ruling party is always made out to be a devil, and now he is feeling that first-hand.

[EL NACIONAL] Why did you agree to run for president in 1985, when you knew ahead of time that only a miracle would save you from an electoral catastrophe? The AP government had already worn out its welcome.

[Orlandini] For the same reasons that have prompted Alva Castro to remain in the electoral battle today: because someone had to go to the fore....

[EL NACIONAL] ...to sacrifice himself, you mean. They were looking for a kamikaze.

[Orlandini] Well, someone had to show his face. Besides, I conducted my campaign by swimming against the current. I would make statements that were contradicted by other officials. The devaluation of the currency was accelerated in order to favor the APRA candidate, to the detriment of my campaign. APRA was exerting very strong pressure, primarily on the BCR [Central Bank of the Republic]. We must not forget that Richard Webb stayed on 2 more years in the current administration. In addition, several days before the elections the cost of living went up, and the devaluation was accelerated; the dollar rose from 3.47 intis to 13.95, a record for that period.

[EL NACIONAL] But you were in a more influential position than anyone else. You were no less than vice president of the Republic.

[Orlandini] No one could have done anything with all the plotting they did against me. I would have liked to get rid of everyone in the BCR, but it required a vote of half plus one in the Senate to do so. I couldn't even censure the cabinet, because I did not have a majority. More than one minister deserved censure....

[EL NACIONAL] Who, for example?

[Orlandini] What good would it do to give the names now? I prefer to talk about the events and keep the identities secret.

[EL NACIONAL] The corruption of the regime was also questioned.

[Orlandini] I was always in favor of launching a full-scale investigation of the accusations.

[EL NACIONAL] But in our country, this business of "investigative commissions" is just a whitewash job. In the end, everyone comes out clean.

[Orlandini] I don't know if it's a whitewash. The only thing I can say is that if I receive the backing of the people, I will try to instill morality.....

[EL NACIONAL] Sometimes that's difficult, as there are always commitments in politics, certain agreements that tie your hands....

[Orlandini] I'm not committed to anyone at all. Proof of that is the fact that I was a constant critic of the acts of my own government.

[EL NACIONAL] Could your silence be attributed to that, perhaps? You have kept a low profile in the last few years.

[Orlandini] I didn't have any party function. I declined to hold any office in Popular Action from 26 July 1985 onward. That was the date of the last session of the Council of Ministers, which did not pass any of the draft codes that I had worked on in the committees I chaired in the Senate.

[EL NACIONAL] Do you think you did the right thing?

[Orlandini] Yes, because if I had to make the decision over again, going back to that time, I would do the same thing, although of course I would not withdraw from party activism so much. But I have remained in touch with the rank and file at all times.

[EL NACIONAL] It doesn't bother you to be ranked lower down in the senatorial slate, considering the power you used to wield?

[Orlandini] Not much, because even though I am ranked 8th, I do expect to improve my position with the preferential vote. I am encouraged by the fact that I am winning supporters of all kinds and from all parts of the country.

[EL NACIONAL] You were one of the staunchest opponents of the electoral alliance. Did you foresee what was coming? Liberty has used the party infrastructure of both AP and the PPC.

[Orlandini] And it will continue to do so. In the beginning, I didn't oppose the alliance. What I said was that Fernando Belaunde should head the presidential ticket. What has ended up happening is an obvious mistreatment of the party as far as the parliamentary slates are concerned. It is my contention that AP should have gotten a larger share....The political parties, on the pretext of forming a broader-based government, have been sacrificed for the formation of this front.

[EL NACIONAL] Do you agree with the shock treatment that Fredemo wants to implement? Bear in mind that AP is blamed for the origin of this economic crisis.

[Orlandini] It must be clarified that the crisis in our country is a structural one, and it was aggravated during the military government. Under Belaunde there were natural disasters that caused the GDP to fall 14 percent. Official figures indicate that, with the exception of one year, the national budgets have been deficit budgets throughout the history of the Republic. Only a shock treatment would make it possible to improve the situation, although social compensation measures are certainly necessary. In Germany and Bolivia they managed to defeat hyperinflation with this policy.

[EL NACIONAL] But at what cost?

[Orlandini] Unfortunately, there has to be a social cost. I am not saying that we face a gloomy future. It is contradictory, for example, that under these difficult circumstances public officials are being paid salaries in the millions of intis, and that corrupt acts such as the collection of special salaries in Parliament are being allowed. Under the Belaunde government the members of Parliament were never paid for special sessions.

[EL NACIONAL] I don't think this has affected the electorate in its determination to favor independent candidates....

[Orlandini] We must be honest. What independents are you talking about? All of the ones who use that label today have been linked in one way or another with one regime or another, or with all the regimes in succession, be they democratic or antidemocratic. Some have even joined the party and then gone on to form supposedly independent groups.

[EL NACIONAL] Give me a few names. I think you are very fond of mystery.

[Orlandini] It's not that. I don't like to give them publicity, that's all. I am only asking the citizenry to examine the record of each of the so-called independents. I suppose there must be a few exceptions, but the vast majority already know what politics is all about. If they want to play dumb, that's another matter. I defy the citizenry to name one independent candidate who has confronted the dictatorship. Let him raise his hand. None of them knows anything about persecution!

[EL NACIONAL] Were you persecuted at any time?

[Orlandini] During my student days I fought the Odria dictatorship, and for that reason I served time at Fronton in 1953.

[EL NACIONAL] That's exactly what many say who....

[Orlandini] A distinction must be made. Some think they are the standardbearers of suffering because they were persecuted. I don't intend to portray myself as a victim. But I do respect the true fighters, not the ones who are the fighters' heirs, who use this as a front to obtain party support.

[EL NACIONAL] Are you referring to anyone in particular?

[Orlandini] Consider it a mere reflection.

[EL NACIONAL] The preferential vote is a two-edged sword. It has no respect for the "sacred cows."

[Orlandini] I am sure that I will enhance my position with the preferential vote. So far I have not had any advertising, and I am getting support from all over. A few months ago I brought together more than 2,000 representatives in Huampani....

[EL NACIONAL] At a meeting where you did not have the backing of Fernando Belaunde and you almost had the rug pulled out from under you.

[Orlandini] The members of the National Command didn't come, but mayors, aldermen, representatives of the grassroots were there. It was not a congress, as people tried to portray it in order to undermine me; it was a meeting at which there was a true show of party support.

[EL NACIONAL] Is the battle between the Alvists and the Ulloists still going on?

[Orlandini] There never was one, at least there was never an Alvist group, to my knowledge. The ones who have always tried to undermine me are the opportunists, those who at the last minute climbed on the AP bandwagon. In the final analysis, it is they who ended up tarnishing the party's image, because they are individuals who have always tried to serve personal needs, putting them before the interests of the country.

[EL NACIONAL] Politics for many has meant an opportunity to take advantage of the fatherland. Some have taken over properties and bank accounts from one day to the next.

[Orlandini] There is a constitutional provision that requires public officials to file an affidavit before taking office. It also requires that they report periodically while in office, and that they make a final disclosure before leaving office.

[EL NACIONAL] But this provision is a dead letter, like so many others in our country....

[Orlandini] The national attorney general has an obligation to prosecute officials who are suspected of receiving illicit gains. He can file these charges on his own motion....

[EL NACIONAL] Incidentally, did you fulfill that requirement entirely?

[Orlandini] At all times. No one can ever accuse me of failing to file an affidavit.

[EL NACIONAL] Have you felt frustrated in any way by the fact that your fellow AP members have ignored you at times?

[Orlandini] I became secretary general of the party in 1976, 20 years after it was founded. I never had any ambitions for that office, I got there because it was inevitable; I served the rank and file for 6 years. No one else has been secretary general that long....Every time there has been a congress, 90 or 95 percent of the votes have been for me, while my detractors, either alone, together, or mixed, have gotten a mere 5 or 10 percent. This is a fact, and proof of it is that I have the support of the rank and file. Imagine, after the municipal elections, on 18 November, to be exact, I had all of the grassroots representatives in this office. They came here without being summoned.

[EL NACIONAL] And why was Juan Inchaustegui chosen to be the candidate for mayor? Didn't they have any other cards to play?

[Orlandini] What we need to recover is the courage that Inchaustegui showed by registering as a candidate at a time when the party was undergoing a crisis. He may not have charisma, but he is an excellent technician. It's too bad he wasn't elected; the citizens don't know what they missed.

[EL NACIONAL] Why did you decide to withdraw from party activity? Did your election defeat of 1985 force you to?

[Orlandini] I felt somewhat frustrated because I had hoped to make a contribution with the penal code and the code of civil procedure. I wanted to improve legislation in Peru. It was not at all for selfish reasons. I think I have not been that frustrated on any other occasion, even when I was being persecuted.

[EL NACIONAL] Not even after your election defeat?

[Orlandini] That was something predictable. Nevertheless, I did get 7 percent. That was what you might call "an announced defeat." It would have been more comfortable for me to be a senator and not run for president, but it was a matter of principle.

[EL NACIONAL] Luis Alva Castro seems to be going through something similar.

[Orlandini] I think he should have reflected a great deal on what happened in 1985, not for family reasons but for political reasons. I think that the APRA ticket should have been led by Luis Alberto Sanchez, with Luis Alva as a candidate for first vice president at the head of the deputy slate. He has been sacrificed. He could very easily have remained in Parliament. I think he would have had better chances there.

[EL NACIONAL] What is your opinion of these highly expensive campaigns? They plan to spend $150,000 each on advertising, and figuring out the total, they may recover around $45,000 during their 5 years in Parliament. I don't want to be biased, but....

[Orlandini] You have to be generous and believe that they are "making that gesture" in order to serve the country, not to take advantage of it. I think they must be extremely patriotic.

[EL NACIONAL] Apparently a seat in Parliament is very "profitable." Otherwise, how would you explain the fact that more than 2,000 candidates are currently vying for these seats?

[Orlandini] I think, rather, that this is an indication of the high rate of unemployment we have in the country. This is already looking like the entrance exams for the universities. More than 2,000 people are applying for the 240 positions in Parliament. This is a first. And we are all to blame for this, especially those on the National Election Board, for failing to lay down clear and precise rules. At this rate, we will have a greater quantity of candidates in the next elections, but not a greater quality.

Unfortunately, the level of debate has deteriorated substantially in recent years. Parliament has become a veritable circus, and somehow it has lost its majesty. In short, these things happen, and they must be changed under the next government.

Uruguay

Government Communique on Nicaraguan Election

PY2103120690 Montevideo EL DIA in Spanish 10 Mar 90 p 8

[Text] In its first official communique on the outcome of the recent Nicaraguan elections, which were won by the National Opposition Union (UNO) presidential candidate Violeta Chamorro, the government expressed good wishes for "the full effectiveness of the democratic and constitutional system" in Nicaragua.

The communique released through the Foreign Ministry says:

"In the face of the elections held in the Republic of Nicaragua, the government of the Oriental Republic of Uruguay hereby expresses its satisfaction over the integrity with which the entire electoral process developed and, especially, over the fact that the elections were an expression of the free will of the Nicaraguan people and of the political rights of all their citizens.

"The government of the Oriental Republic of Uruguay also expresses its satisfaction over President Daniel Ortega's remarks that ensure tranquillity; arising from the certainty that the electoral outcome and its consequences will be respected, as provided for by the Constitution.

"Moreover, the Uruguayan Government expresses its confidence that the period before the inauguration of the new government will develop with total respect for the human rights of all Nicaraguans. Likewise, the Uruguayan Government believes that, for the elections to have full effect, all military activities must stop and armed resistance must end as soon as conditions permit.

"The Uruguayan Government expects that these steps toward the full effectiveness of the democratic and constitutional system, with all their consequences, will also represent an important contribution to regional peace and security in Central America."

Air Force Chief of Staff Denies Discord in Ranks

PY2103154890 Montevideo EL DIA in Spanish 10 Mar 90 p 8

[Text] Air Force Lieutenant General Carlos Pache, the new Air Force chief of staff, has emphasized that the Air Force "is not experiencing any unrest." He made it clear that there are precedents of top leaders in which the appointee "was not the number one for the promotion."

After meeting with the president of the Republic, the Air Force chief of staff reported that their meeting "was just a protocol meeting."

Asked about the government's plan to restrict expenditures, Pache said: "We did not talk about this." Later, he made it clear that he did not talk about purchasing airplanes, "but about acquiring them, as there are many methods of acquiring airplanes, not necessarily purchasing them. There are good and friendly countries that, sometimes, can cooperate with us in this regard."

Regarding the TAMU [Uruguayan Military Air Transport] service, the Air Force chief of staff reported that "it is functioning well. If we get new airplanes and change some of the equipment, we could think of upgrading them in order to reach other remote points of the Republic, thus improving communications."

About his request to Brigadier General Luis Revello, asking him not to go into retirement, Pache said he does not know if he will be successful, and that he hopes "to continue working with him because we are very good friends and we are promotion comrades."

Later, reviewing his promotion, Pache made it clear that the Air Force "will not experience any discord. Any brigadier general can become chief of staff."

Regarding precedents, Pache mentioned Lieutenant General Berois, the former Army chief of staff, who was not the first in line for the promotion, and Vice Admiral Ricardo Largher, who was the number three for the promotion.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed, with personal and place names rendered in accordance with FBIS transliteration style.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.